



AR17

IVACO INC.

1986 ANNUAL REPORT



OFFICERS

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Chief Executive Officer
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and Secretary
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Senior Vice-President
John Loveridge
Vice-President
M. R. Cairns
Vice-President
Albert A. Kassab
Vice-President and
Chief Financial Officer
George Goldstein
Vice-President

HEAD OFFICE

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770, rue Sherbrooke ouest
Montréal, Québec, Canada
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(514) 288-4545

ANNUAL MEETING

The annual meeting of the Company will be held on May 28, 1987 at 10:00 a.m. in the Oval Room of the Ritz-Carlton Hotel, Montréal, Québec.

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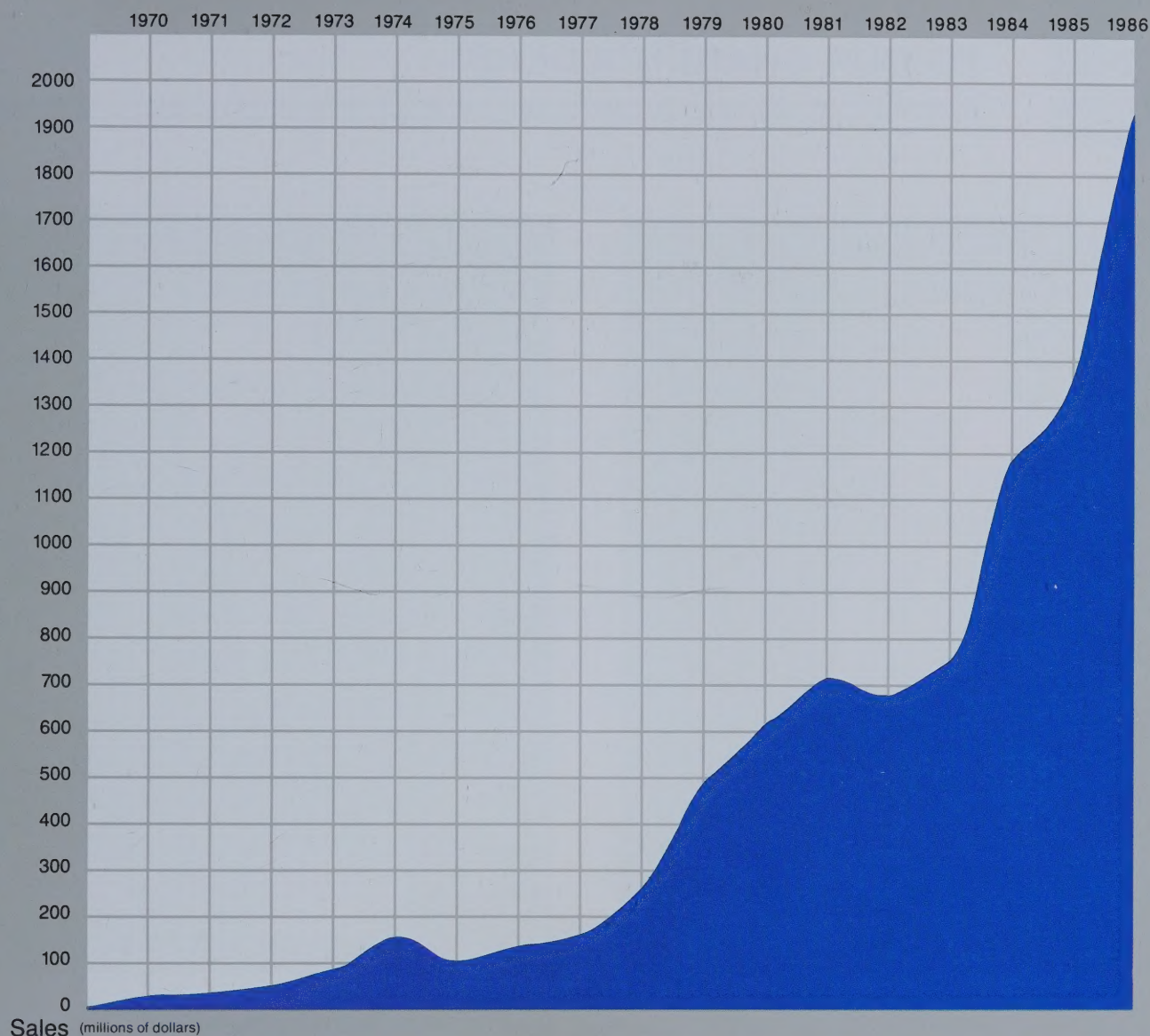
TRANSFER AGENT AND REGISTRAR

The Royal Trust Company in Montréal, Toronto, Calgary, Winnipeg, Regina, Vancouver and Halifax.

SHARES LISTED

The Montréal Exchange
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FINANCIAL HIGHLIGHTS THOUSANDS OF DOLLARS EXCEPT PER SHARE AMOUNTS

	1986	1985
Sales	\$1,944,777	\$1,342,670
Earnings from operations	\$ 131,646	\$ 99,402
Net earnings before extraordinary gain	\$ 43,057	\$ 35,145
Net earnings	\$ 44,092	\$ 35,145
Net earnings per share		
Before extraordinary gain	\$ 1.05	\$ 1.04
After extraordinary gain	\$ 1.11	\$ 1.04
Working capital	\$ 488,012	\$ 395,027
Net additions to fixed assets	\$ 84,406	\$ 46,320



Isin Ivanier
Chairman



Paul Ivanier
President and Chief Executive Officer

March 27, 1987

Your Company achieved gratifying increases for sales and earnings during 1986 despite the continuing unsatisfactory pricing environment for steel products in both Canada and the United States.

The year end figures include the results for Canron Inc. which was acquired early in the year.

As has been noted in previous reports to shareholders, the United States steel industry has suffered from serious problems in recent years. Changing patterns in world trade have reduced aggregate demand. Also, many producers have failed to modernize, making them vulnerable to price competition both at home and abroad, and the natural consequence is that there is substantial capacity approaching obsolescence and operating at marginal rates. Thirdly, currency and other commercial factors have

combined to make the United States a happy dumping ground for off-shore producers.

At this time last year there were indications that the U.S. would, finally, put into place the long promised relief from predatory imports and some reasonable price firming was predicted to develop as the year progressed.

There was some modest and temporary price strengthening during the year. It was, however, short-lived and the net result is that the industry as a whole continues to cope with irrational selling conditions which erode margins industry wide. These problems, of course, are continuing to impact powerfully on the bottom line.

Your Company has mixed views of these industry wide problems. While it is recognized that any widespread strengthening in demand and prices would benefit

Ivaco as much or more than other producers, it is not Company philosophy to sit still and wait for externally created opportunities.

Accordingly, Ivaco reemphasized its long term growth strategy by increasing capital spending during the year to keep manufacturing facilities up to state-of-the-art status, to pursue consistent broadening of existing product lines, and to expand inventory and distribution resources so as to maintain and enhance customer service capability.

Your Company seized opportunities during 1986 to increase market share, expand product lines and consolidate leadership in the marketplace. In the long run companies like Ivaco, which are totally committed to reinvestment for productivity, quality, and service to customers, will benefit.

In the detailed review of The Ivaco Group which appears later in this report, frequent mention is made of production leadership. Ivaco places as much major emphasis on the scale of production as it does on quality of end product because the rapid availability of the right product at the right place is a significant key to marketing success. As a result of this attitude, Ivaco is North America's largest producer of hot rolled wire rods, welded wire fabric, oil-tempered spring wire, prestressed concrete steel strand and steel guy strand. It is also the largest producer in the world for nails and standard fasteners.

The large scale of manufacturing operations contributes significantly to the Company-wide objective to be a low cost producer in each range of products and facilitates the gradual but constant broadening of product lines to include the more technically complex products which, of course, traditionally achieve higher margins.

To put this strategy into perspective, spending for net additions to fixed assets was \$84.4 million during the past year, up substantially from \$46.3 million in the previous year.

One very significant step was taken early in the year, the acquisition of Canron Inc. Ivaco acquired 97% of Canron's common stock in January of 1986 under a friendly offer, acceptance of which was recommended by Canron's Board. One condition mutually agreed to was that Canron should

remain a public company and that Ivaco would use its reasonable best efforts to reduce its ownership to 51% over a period of three years. In partial fulfillment of that understanding, a secondary offering totalling \$32.2 million was successfully placed in late spring. The offering consisted of 1.5 million Class A voting shares and 150,000 Class B subordinate voting shares of Canron and warrants to purchase 750,000 Class A and 75,000 Class B shares of Canron. As a result of this transaction ownership of Canron now stands at 79%.

Canron reported significantly improved results in 1986. Its sales and earnings increased substantially, important acquisitions were made, and strategies to redeploy under performing assets were put in place.

Among the major actions completed were four acquisitions to augment Canron's plastic pipe and steel fabrication units in the U.S. Plastic pipe manufacturing facilities were acquired in the Northeast and the Southwest and steel fabrication plants were acquired to serve both East and West coast markets. In the current year, the Company anticipates the possibility of a merger of its railway track maintenance unit with another strong company for the creation of a joint venture. Canron expects 1987 to be another good year.

Elsewhere within The Ivaco Group, notable expansion plans were underway.

Another of your Company's publicly traded subsidiaries, 51% owned Laclede Steel Company, of St. Louis, also recorded creditable performance in 1986.

Laclede has reported increased sales and satisfactory earnings for the year. At the same time it has undertaken a major program of modernization. Later in the year it concluded the modernization of its six-strand continuous caster and completed plans for a major upgrade of its 14" rolling mill.

Laclede is also committed to growth through selective acquisition. Since becoming an Ivaco subsidiary, Laclede has made three acquisitions and all three fit logically through integration of downstream steel product manufacturing. Most recent, completed in 1986, was a technologically modern producer of oil-tempered spring wire.

Steelmaking and hot rolled wire rod production at your Company's Canadian steelmaking complex set new tonnage records during the year and major improvements were made to up-grade both the melt shop and rolling mill particularly to achieve high new standards of quality.

Atlantic Steel's two modern mills in Georgia continued their long term, gradual program to extend their production of complex chemistry steels. Excellent progress was made during the year.

All four of your Company's steelmaking and rolling mill complexes produced at very high levels throughout the year and each exceeded the industry's capacity utilization rate by a wide margin.

Ivaco's downstream manufacturing operations also delivered growth performance during the year. Among the highlights:

The fastener division of your Company announced plans during the year which will generate beneficial results in years to come. During 1987 it will relocate its Federal Bolt and Nut manufacturing capacity, acquired in 1985, to both Marieville, Québec and Ingersoll, Ontario. The move will help generate substantial production efficiencies.

Florida Wire and Cable, in addition to increasing sales and earnings substantially, made several significant business moves. It acquired a Midwest manufacturer of guy strand, making Florida Wire and Cable the largest U.S. producer of this product and it acquired a 41% investment in Amercord Inc., a large manufacturer of tire cord and tire bead wire used in the manufacture of passenger car and truck tires. Amercord, incidentally, is a substantial user of quality high carbon wire rod.

In terms of financial activity, several items bear noting.

The dividend policy was changed during the year to eliminate the uncertainty associated with a year-end extra. Your Directors decided that the year-end extra dividend policy should be changed and, in its place, the regular quarterly dividend should be increased. As a result the dividend for Class A subordinate voting shares has been increased from 12 cents per quarter to

16 cents and for the Class B voting shares from 10 cents to 13 $\frac{1}{4}$ cents.

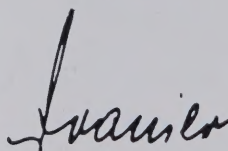
Higher income taxes became a noticeable burden during the year. Net earnings were adversely affected by higher income taxes of approximately \$6.7 million, or 36 cents per share. This is primarily a result of tax changes in Canada which increased income tax rates and removed the inventory tax allowance.

Working capital increased during the year by \$93 million and stood at \$488 million at year end. It is significant to note that operations provided \$116 million of working capital during the year.

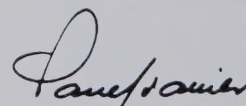
Your Company is in strong financial shape and looks to the future with confidence.

The immediate outlook for 1987 is for continuing growth of sales. However, the continuing severity of pricing pressures for the Company's products, particularly in the United States, has not eased and continues at an even more rapid pace into the current year. In addition, the recently increased strength of the Canadian dollar is also having a negative effect. The impact of these factors is expected to be felt most severely in the first quarter and, as a result, net earnings are expected to be minimal. Subsequent quarters are expected to show substantial improvement. However, 1987 net earnings will not reach 1986 levels as long as these conditions continue.

On behalf of the Board of Directors:



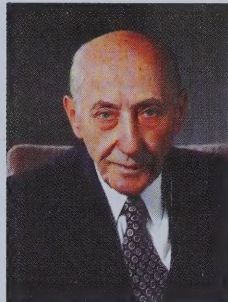
Isin Ivanier
Chairman



Paul Ivanier
President and
Chief Executive Officer

DIRECTORS AND OFFICERS

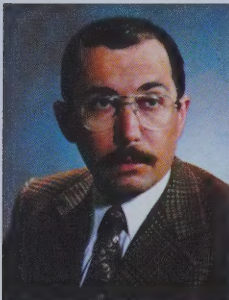
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Isin Ivanier*
Chairman of the
Company



Paul Ivanier*
President and
Chief Executive
Officer of the
Company



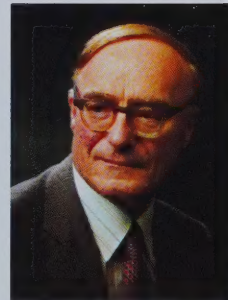
Sydney Ivanier*
Senior
Vice-President of
the Company



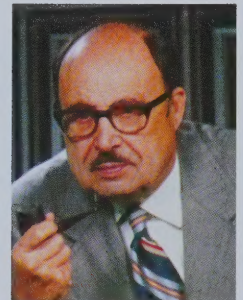
Michael Herling*
Senior
Vice-President and
Secretary of the
Company



Jack Klein*
Senior
Vice-President of
the Company



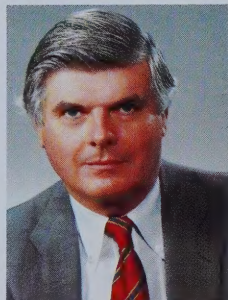
John Loveridge*
Chairman,
Ingersoll Machine
and Tool Company,
Limited



Edward J. Buell*
Chairman,
Niagara Lockport
Industries Inc.



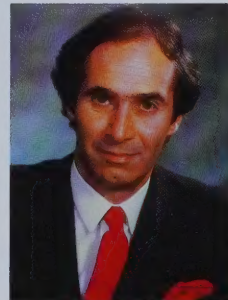
Donald G. Lawson*
Chairman,
Moss, Lawson &
Co. Limited



H.B. McNally, Q.C.*
Partner,
Byers Casgrain



M.R. Cairns
President,
Niagara Lockport
Industries Inc.



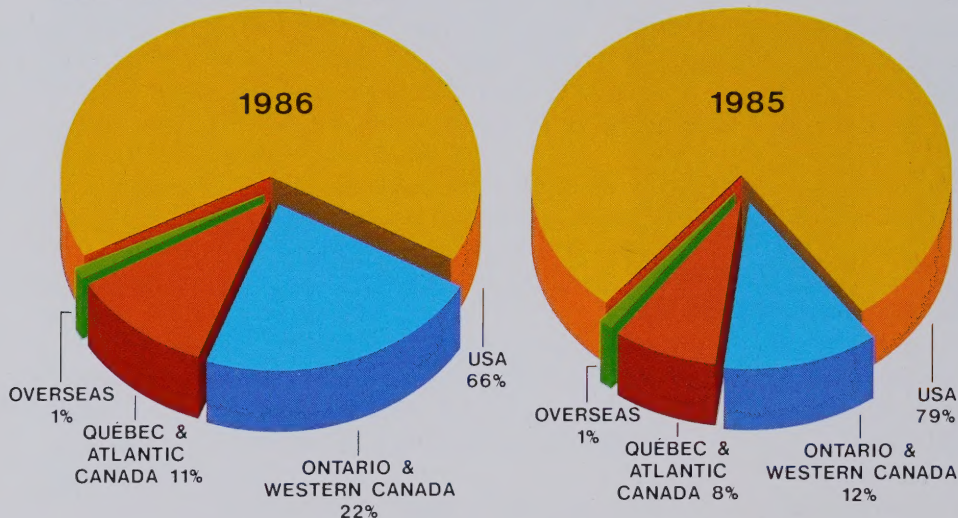
Albert A. Kassab
Vice-President and
Chief Financial
Officer of
the Company



George Goldstein
Vice-President of
the Company

*Director

SALES DISTRIBUTION



41% interest in Amercord Inc., a leading U.S. producer of high carbon wire products such as tire cord and tire bead wire used in the manufacture of passenger car and truck tires.

The Company is a firm believer in production efficiency and spends continuously for modernization and productivity improvements.

Ivaco employs some 12,000 people at 73 plants of which 43 are in Canada, 29 are in the United States and 1 is in Australia. Operations are managed within eight groups:

Steelmaking and Rolling Mills

There are four modern steelmaking complexes each with complete rolling mill operations. All of the complexes are technologically sophisticated and each works systematically to broaden product lines for special chemistry steels.

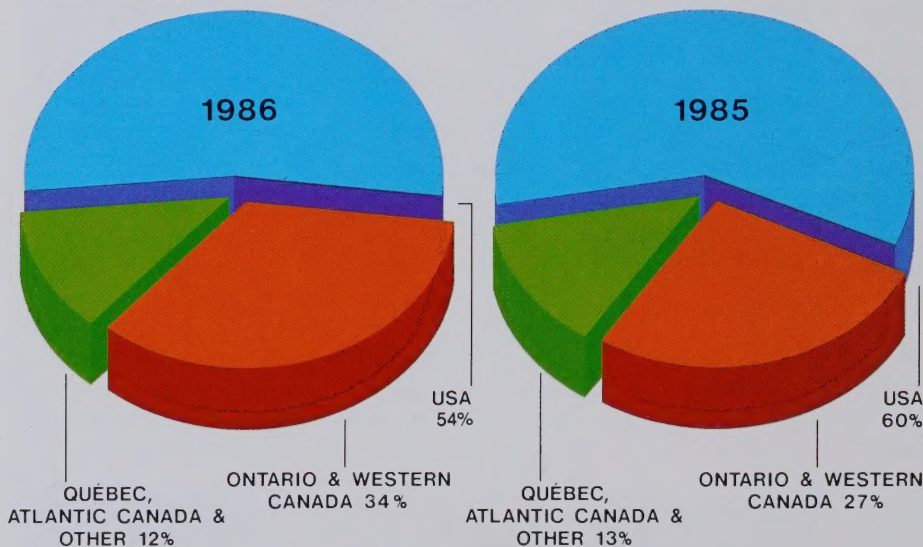
Wire, Wire Products and Nails

As one of North America's largest producers, Ivaco provides comprehensive market coverage throughout Canada, the Midwest, Atlantic Seaboard and Southwest U.S. It is a large scale producer of many sizes, types and grades of wire, a substantial manufacturer of welded wire fabric, oil tempered spring wire, fencing products, welded chain, and it is the world's largest producer of nails.

Fasteners

Standard and specialty bolts, nuts and other fastener products are produced for the

FIXED ASSETS DISTRIBUTION

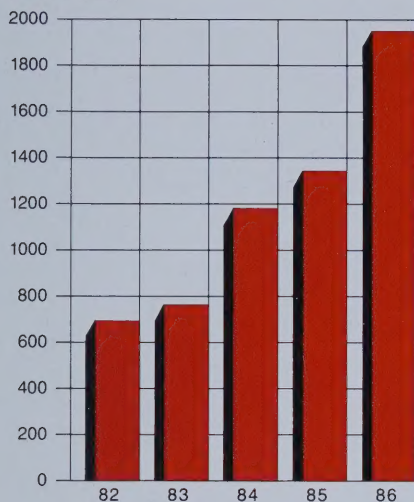


Ivaco is a diversified manufacturing enterprise with operations in both Canada and the United States. It is one of the 12 largest steel producers in North America, and also makes precision machined components, paper machine clothing, copper and copper alloy products and, through its Canron subsidiary, provides a broad range of industrial products and services.

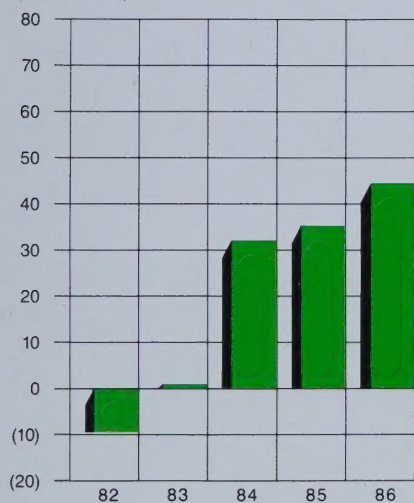
Steelmaking and rolling mill capacity exceeds two million tons from four modern electric furnace "midi" mills. It produces billets, hot rolled bars, strip and hot rolled wire rods.

Ivaco has achieved rapid growth through the process of selective acquisition combined with continuing programs for internal expansion. During 1986, Ivaco acquired a

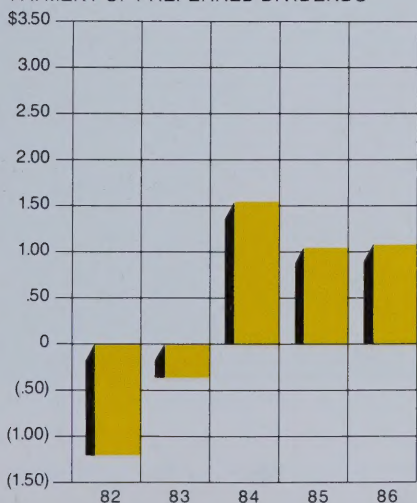
SALES
(millions of dollars)



NET EARNINGS (LOSS)
(millions of dollars)



NET EARNINGS (LOSS) PER SHARE AFTER PAYMENT OF PREFERRED DIVIDENDS



automotive, machinery, construction, consumer goods industries, and export markets. Ivaco is the world's largest manufacturer of standard fasteners.

Wire Ropes, Cables and Strand

Ivaco has four plants which manufacture wire ropes, cables and strand. It is the largest supplier of prestressed concrete strand and guy strand in the U.S.

Precision Machined Components, Axles and Forgings

Precision machined components are produced for the automotive, machinery and defence industries. Axles for heavy duty trailers and forgings are also major products.

Paper Machine Clothing

The Company is one of North America's principal suppliers of forming fabrics and wet and dryer felts to the paper industry. Each product is custom engineered for a specific paper machine.

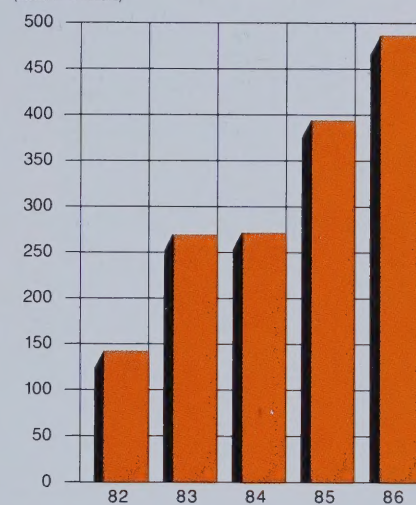
Copper and Copper Alloy Products

The Company is Canada's leading supplier of coppermetals. It produces a wide variety of alloys and shapes for such customers as the Royal Canadian Mint and the electrical, plumbing, automotive and construction industries.

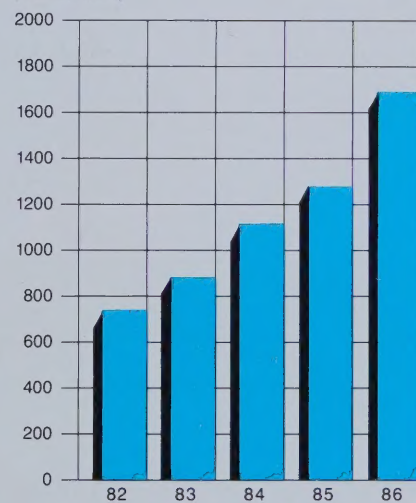
Canron

Canron is a leading producer of plastic, concrete and iron pipe. It fabricates and erects structural steel and manufactures specialized machinery. It operates in Canada, the U.S., and Australia.

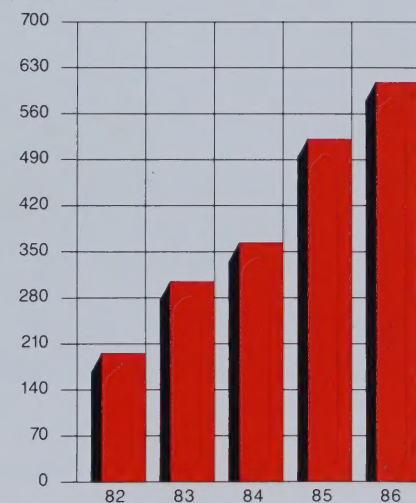
WORKING CAPITAL
(millions of dollars)



TOTAL ASSETS
(millions of dollars)



SHAREHOLDERS' EQUITY
(millions of dollars)



STEELMAKING AND ROLLING MILLS

The Company's four modern steelmaking and rolling mill complexes delivered exceptional performance in 1986.

All four mills operated at high levels of capacity throughout the year, substantially above the average capacity utilization for the industry. As in previous years, spending for modernization and productivity improvements remained high and extension of product lines, through the addition of new

grades of special chemistry steels, was successfully achieved at each mill.

Steelmaking capacity exceeds two million tons and rolling capacity is even greater. As a result, Ivaco is one of North America's most important steel producers.

Steelmaking is totally based on high performance, high efficiency electric furnaces. Each steelmaking facility is in the midi-mill size range and of the four, three use 100% continuous casting and the fourth now has the capability to produce in excess of 50% of its billets via continuous cast practice.

The mills at L'Original, Ontario; Atlanta and Cartersville, Georgia are wholly-

owned. Laclede Steel, of St. Louis, is 51%-owned.

Pricing remained depressed throughout the year. Nevertheless, the high throughputs achieved by the mills brought about notable economies of scale which has helped Ivaco transform industry-wide adversity into the longer term benefit of increased market share.

All steelmaking facilities, each with contiguous rolling mills, are strategically located geographically relative to markets and raw material supply. As a result, the Company's mills are amongst the industry's lowest cost producers.

Output is strongly oriented to alloy and special chemistry steels and includes such



Hot rolled wire rod on one of twin rolling mill lines at completion of "no-twist" finishing section at Ivaco Rolling Mills.



Newly upgraded six-strand continuous caster at Laclede Steel.

products as hot rolled bars including special bar quality stock, pipe, and hot rolled wire rods. Ivaco's rolling mills produce more than one million tons of wire rods per year. Your Company is not only North America's largest producer of this basic manufacturing product but also offers a comprehensive range of grades, chemistries and sizes.

The following reviews the steelmaking and rolling mill operations in more detail.

Ivaco Rolling Mills

The Ivaco Rolling Mills complex at L'Original, Ontario

specializes in the production of steel billets and hot rolled wire rods. This dedication to a single range of end product has resulted in the achievement of extraordinarily high levels of efficiency, flexibility, reliability and product quality.

While each of these factors is vital to maintain continuing customer satisfaction, Ivaco Rolling Mills offers unique benefits in terms of flexibility. Because of its specialization in wire rods, Ivaco Rolling Mills has the ability to make special chemistry steel billets and roll them to precise size

and grade characteristics on short notice. This is of immense benefit to Ivaco's customers as well as to its own downstream manufacturing units. This flexibility makes it possible for producers of fasteners, nails, wire and other products to deliver finished products in large tonnages on very short notice.

Ivaco Rolling Mills has another important characteristic. It has rolling mill capacity substantially greater than steelmaking capacity so that it can roll purchased billets to obtain special grades which are not available through

strand casting technology. This extra rolling capacity has particular significance in light of the agreement to purchase substantial tonnage of premium quality steel billets produced from high purity pig iron at the newly constructed Q.I.T. Inc. steelmaking facility at Sorel, Québec.

Late last year, Ivaco Rolling Mills began rolling trials on the first billets produced by Q.I.T. The preliminary results are most encouraging and expectations for a wide diversity of special grades and qualities are enthusiastically anticipated.

1986 was a particularly successful year for the Ivaco Rolling Mills complex. New monthly and annual tonnage

records were set for both steelmaking and rolling operations; productivity was upgraded markedly; the quality range was expanded to include steels for more severe cold heading applications, special welding products, and higher carbon wire rods; and sophisticated additional equipment was installed to realize the most stringent possible testing both for billets and wire rods.

The process of continuous modernization remains a basic policy and a number of significant investments were made during the year to improve productivity and to enhance quality.

The steelmaking facility, which produced beyond rated

capacity for the year, continued to enhance its ladle metallurgy operations by installing processes to achieve more accurate chemistry control of final product. In addition, the cross section of billets was increased to 120 millimeters resulting in significant quality improvements, heavier wire rod coils, improved productivity, and cost reductions in both the steelmaking and rolling mill facilities. Heavier wire rod coils allow a distinct marketing advantage as production efficiencies are also achieved at the customers' plant.

Major investments at the rolling mill included the installation of new water cooling equipment at the end of the no-twist finishing lines and capacity for continuous in-line rod testing.

The new water cooling system is important for metallurgical reasons. It results in specific changes to the microstructure of the steel by achieving more accurate cooling and closer scale control. These are important criteria to users of high carbon and welding quality steels.

In-line testing is part of a concerted program to expand and enhance the entire inspection process so as to ensure that product shipped meets customer specifications exactly. As part of the system, wire rods pass through a continuous electro-magnetic



Computerized control and automated defect detector for wire rods at L'Orignal.



Crescent Tool, a customer of Atlantic Steel, uses high quality steel in the manufacture of hand tools.



Upset tester at Atlantic Steel used to ensure integrity of high carbon and cold heading quality steel.

inspection system which identifies surface and sub surface defects. Ivaco Rolling Mills is one of only two mills in North America with such sophisticated testing and enhanced customer loyalty is the natural expectation.

Major steps were undertaken during 1986 in the field of computerization. Processes in the steelmaking and rolling operations are now largely computerized. This results in greater efficiency cost-effectiveness and safety improvements from the time scrap is received through the entire manufacturing and delivery process.

The outlook for the current year is for high levels of production and for continued upgrading of facilities.

Atlantic Steel

Atlantic Steel continued to operate at a very high level

during 1986. Shipments for the year were just slightly below 1985's record volume and were substantially higher, in terms of percent of capacity utilization, than the industry average.

During 1986, the 13" bar mill in Atlanta succeeded in producing flats with superior surface quality for cold drawing applications, following installation of a five-phase high pressure descaling system. The five-phase descaling system is particularly important for users of special bar quality (SBQ) stock because the typical users are manufacturers of high quality tools and similar end products. Production of bars that are very clean and free of scale is an important quality control criterion.

The Atlanta plant also successfully implemented a program to produce high carbon rods for P.C. strand products

by developing production techniques through an international technology exchange to allow casting of this steel at extremely low superheat temperatures. The production of these special high carbon steels offers significantly improved wire rod ductility to the mill's customers. Major environmental control and water purification projects were also completed at Atlanta.

The final phase of the energy conservation project on the 12" bar mill reheat furnace in Cartersville was completed with the installation of a recuperator and computerized combustion control system, and immediate savings were realized with the July startup.

During the year, major success was also achieved in expanding the proportion of special chemistry steels produced. These higher margin products now constitute an important and increasing share of total production.

The outlook for the current year is for continued high levels of production and efficiency.

Laclede Steel

Laclede Steel was profitable in each quarter of 1986 and has now achieved 16 consecutive profitable quarters despite the competitive conditions in the U.S.

The major factors in maintaining profitability have been concerted and aggressive expansion of marketing activities leading to national coverage combined with strong

spending on technology for productivity.

In terms of marketing, Laclede has established a mill depot for steel pipe at Baltimore and has opened a wire warehouse in Sauget, Illinois.

The Maryland facility, in conjunction with an augmented sales agency organization, has resulted in increased market share in the important Atlantic Seaboard markets. The new wire warehouse in Illinois is designed to provide high levels of service to the bedding industry which is a growth market for Laclede.

Another important thrust of the expanded sensitivity to national marketing is the continuation of a long term policy to maintain large inventories of both finished and semi-finished steel. This policy provides the dual competitive benefits of offering immediate deliveries to customers for many products, in addition to facilitating long and economical production runs in the mills.

Marketing has been further enhanced by a selective acquisition program which focuses on businesses that consume semi-finished steel products, have low conversion costs, and which integrate well with Laclede's own manufacturing, marketing and technological expertise.

This strategy began with the acquisition of a chain manufacturer in Maryville, Missouri in 1984. The renamed Laclede Chain has reversed its pre-acquisition loss history and it continues to progress. Presidents Island



Billet grinder employed by Atlantic Steel to condition steel billets produced for critical end uses.

Steel and Wire, of Memphis, Tennessee, was acquired in 1985. It was also operating at a loss when acquired but has since upgraded both marketing and productivity and is expected to record profits later this year. A third acquisition was made late in 1986. Mid America Spring Wire, of Fremont, Indiana, has been renamed Laclede Mid America, Inc. It is a low cost, technically modern producer of oil tempered spring wire and its product line rounds out and fits extremely well with Laclede's very substantial oil tempered spring wire products manufactured at Alton, Illinois.

Several significant investments were made during the year to upgrade productivity and to enhance quality.

The two most important developments were the

upgrading of the continuous caster and the commitment to modernize the 14" rolling mill, to be completed later this year.

The continuous caster modernization will improve steel-making costs and increase production capacity. As a result of these efficiency improvements, more than 50% of steel production is now continuous cast.

The revamped 14" rolling mill, when completed, will be able to accept continuously cast blooms and will also result in substantially increased efficiency.

The outlook for the current year is for continued gains in productivity and for production levels similar to the records reached last year.

WIRE, WIRE PRODUCTS AND NAILS

Ivaco is an important producer of wire, wire products and nails with strategically located manufacturing facilities which allow for economic distribution to almost all of the heavily populated areas of North America.

The scale of operations is substantial both in terms of tonnage and in the extraordinarily large range of products. Your Company is the world's largest manufacturer of nails and North America's largest

producer of oil tempered spring wire and welded wire fabric. It is also a very large volume producer of fencing and other wire products.

Your Company has 18 plants in Canada and the U.S. producing wire and wire products. The product range is immense as it includes an almost infinite variety of sizes and finishes, and includes an extremely wide spectrum of metallurgical characteristics. Nails are manufactured at five locations and welded wire fabric at seven.

The comprehensive wire product range includes cold drawn and annealed wire in a wide variety of finishes and tensile specifications. Galvanizing to any specified zinc coating weight is available in all carbon grades.

The drawing of wire from hot rolled wire rods is an industrial process in which the rewards are greatest for those who achieve the highest standards for productivity, reliability, quality, and availability. Your Company excels in all of these areas.

Ivaco has been a productivity leader since inception. It is a continual investor in new technological improvements. It achieves product reliability through exacting attention to metallurgical criteria. Quality is rigidly controlled by extensive in-plant testing. Availability is achieved by maintenance of high levels of ready-to-deliver product at a multitude of strategically located warehouses combined with very quick production response to special customer requirement.



The end of the production process for galvanized wire at an Ivaco wire mill.

During the past year, a number of substantial investments were made to keep productivity up to state-of-the-art levels and to increase production. As in previous years, major attention was devoted to extension of existing product lines to incorporate more complex chemistry steels and similar higher margin end products.

Nail production remained at high levels during the year in both Canada and the U.S. The Company produces virtually every known form of nail and product is sold in bulk, packaged, and collated form. Collated, or machine quality nails, are used for automatic feeding and this market continues to grow, particularly for industrial applications. Demand for machine quality nails has been enhanced by the Company's distributorship for Hitachi pneumatic tools.

Other developments included: (i) the redesign and upgrading of the galvanizing line at Lundy Steel to increase capacity substantially and to apply extra heavy coatings of zinc when required; (ii) re-establishment of production at New York Wire Mills for cold heading wire and to provide pickling and annealing services; and (iii) expanded wire drawing, annealing, and warehousing at Sivaco Ontario. Sivaco Ontario has broadened its product lines to include new grades of cold



Halco Industries, a customer of Sivaco Québec, employs mobile automatic nailers to achieve production efficiency.



heading and high carbon wire and substantial new warehousing was constructed to

maintain and increase capacity for fast delivery to customers.



Miles Laboratories' Toronto plant, a Sivaco Québec customer, can produce some one million steel wool scouring pads daily.

National Wire, which has plants at Baltimore, Tampa, Atlanta, Savannah, and Toledo, had several major expansions underway during the year.

Perhaps the most significant was the construction and equipping of a new wire drawing and welded wire fabric facility near Atlanta. The new facility, some 30 miles south of Atlanta, has 225,000 sq. ft. and will have increased capacity in all phases of welded wire fabric including designed structural mesh, masonry reinforcements, and masonry accessories.

Structural mesh is an extra heavy welded wire fabric which is designed to be used with standard concrete reinforcing bars. This heavy structural fabric is used for special applications and preliminary market response has been excellent.

Another important development was the acquisition of Colorguard Fence which has been relocated to a modern facility at Baltimore. Colorguard produces bonded vinyl fence and fence materials including bonded posts and fittings, all of which are new products for National Wire. Its market area covers the entire United States.

PRECISION MACHINE COMPONENTS, AXLES, AND FORGINGS

Ingersoll Machine and Tool reported good performance for 1986 for each of its major operations.

The Company's precision machined components include engine and suspension components for the automotive, truck and machinery industries and axles for highway trailers. Forgings are produced by P.C. Drop Forgings for industry and for projectiles which are machined for defence purposes.

Components manufactured for the automotive, truck and machinery industries include engine parts, water pumps, suspension linkages, spring pins and spring pin bushings, torsion bars and related suspension parts. This is a successful and growing range of products for your Company.

The manufacture of axles for highway trailers has also developed into a major growth opportunity. A number of different axle products are made, including sophisticated steering axles for heavy duty trailers which haul loads on treacherous mountain roads.

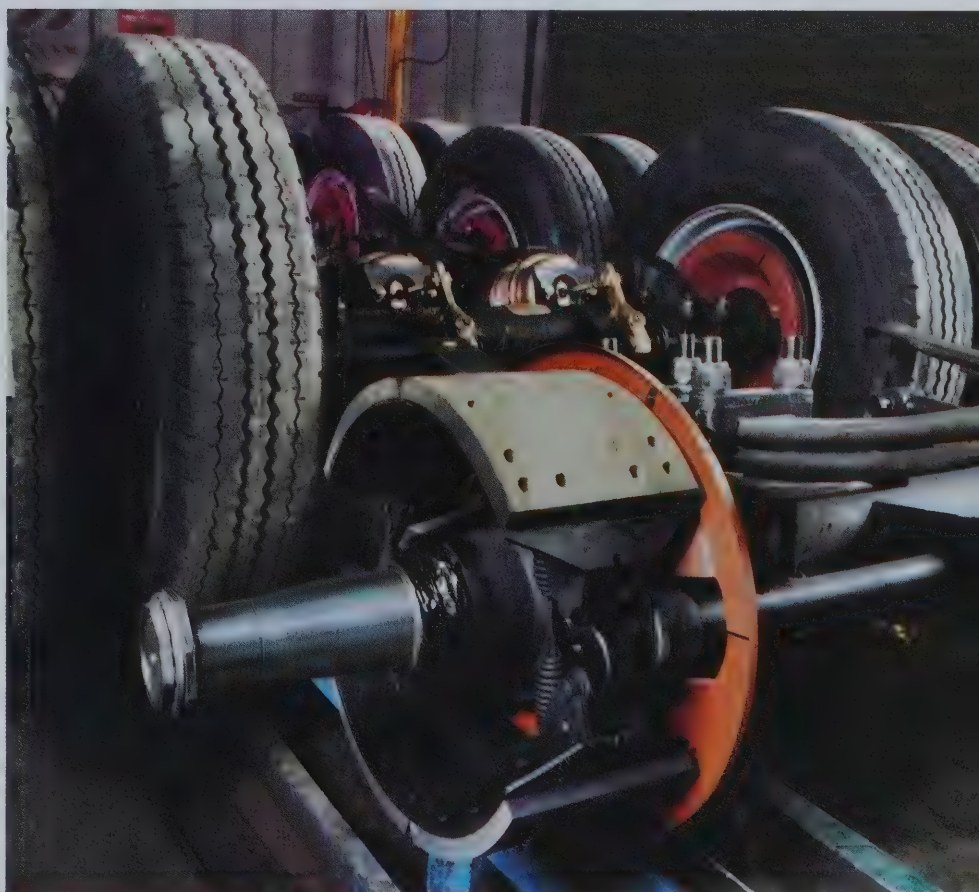
Currently, extensive effort is being applied to broaden the axle product range and a number of new axle products will be introduced during the next year. Ingersoll is an axle supplier to an impressive list of trailer manufacturers.

Ingersoll's wholly-owned subsidiary P.C. Drop Forgings recorded a successful year in 1986. Stronger demand for defence products resulted from the addition of new products under Ingersoll's master agreement with the Government of Canada. This agreement gives Ingersoll sole supplier status for the forging

and machining of large calibre projectiles for defence purposes.

Machining capacity was increased at Ingersoll during 1986 and will be enlarged again during the current year. Among the new machine tools to be added this year is a sophisticated 4-axis computer numerical control lathe with twin turning turrets. The additional machining capacity will allow for greatly increased axle production.

The outlook for the current year is positive.



The Trailmobile Group of Companies Ltd., of Brantford, Ontario, an Ingersoll Machine & Tool customer, installs an axle on a tractor trailer.

FASTENERS

Your Company is one of the leading fastener manufacturers in the world. It is the largest producer of standard fasteners anywhere and, in addition, is a large and significant manufacturer of specialized bolts and nuts.

As a result, it is a substantial consumer of hot rolled wire rods and also has a requirement for an ever expanding range of wire rods rolled from special chemistry steels. The key components of the Company's fastener strategy consist of quality of end product and customer service. The Fastener Group's metallurgical sophistication combined with its rigid attention to efficient productivity are key to achieving these objectives.

1986 was a successful year for fastener operations. A number of major objectives were realized. Production tonnage increased, there was a major expansion in boltmaking capacity, heat treating and annealing capacity was enlarged, quality control systems were upgraded and warehousing expanded.

Fastener operations include production of standards at Marieval, Québec; galvanizing and plating facilities at Beloeil, Québec; nut manufacturing at Toronto; and manufacture of speciality bolts,

studs and nuts at Ingersoll, Ontario. During the year, steps were initiated to achieve major efficiencies by moving production machinery from the Federal Bolt and Nut facility at Toronto to both Marieval and Ingersoll. When completed later this year, the rationalization will generate significant cost efficiencies without loss of

tonnage capacity.

Significant expansions were underway at Marieval during the year. These included construction of a major building expansion, substantial increase in high speed boltmaking capacity featuring state-of-the-art production efficiencies and quality control sensors, addition of two new heat treating furnaces to add



An oil wash process is completed after heat treating of bolts.

10,000 pounds per hour capacity, two additional annealing furnaces, and installation of a totally automated bulk packaging line.

Plans for a major expansion at Galvano have recently been initiated. The expansion plans call for a building extension and the installation of sufficient production facilities to double capacity. Galvano is a specialist for zinc plating, phosphate coating and hot dip galvanizing of fasteners and nails. Market demand for this value added service has expanded enormously in recent years.

Ingersoll Fasteners also expanded capacity during the year and will further expand during 1987. It is currently constructing a building extension and will continue to move into new product areas, one of which will include large scale production of hot formed nuts.

Ingersoll's product lines concentrate on fasteners for special applications which have, as a general rule, higher selling prices than those of standard fasteners. Predominantly, the end products require shorter production runs and are tailor-made for specific and very demanding product niches.

Ingersoll Fasteners continued its increased penetration as a supplier to the automotive industry and its major new products such as oval neck track bolts and T-head bolts received very strong market acceptance in 1986.

All of the Company's fastener operations are subject to rigid quality control and they have received very high supplier ratings from those most demanding customers who rate their suppliers publicly.

One very significant aspect of successful fastener marketing is the ready availability of inventory. Your Company has always been a leader in this

area and maintains comprehensive stocks of finished products in large scale warehouses for all appropriate regional markets. Several major warehouse expansions and consolidations were completed or underway during the year.

The outlook for the current year is for expanded production and sales.



Ivaco is one of the world's largest manufacturers of fasteners.

WIRE ROPES, CABLES AND STRAND

Wrights Canadian Ropes is a major Canadian west coast producer of wire ropes and cables with distribution and service centers extending eastwards to include Québec. Its products include wire ropes for the forestry, construction, marine, mining, and oil and gas industries. In addition, Wrights has developed a specialized log bundling strand for which excellent market response has been received.

It was noted in last year's

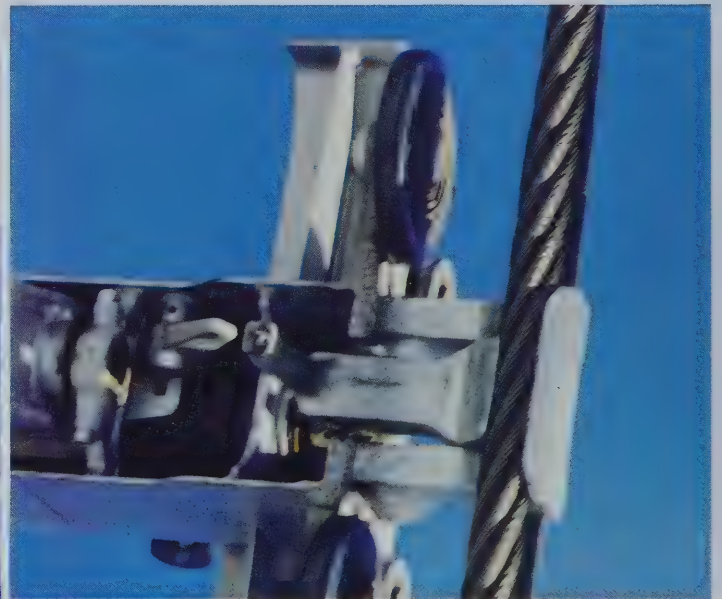
annual report that Wrights had been selected to supply the wire ropes for all of the ski lifts to be installed at Mount Allan, Alberta, which is the site of the 1988 Winter Olympic alpine ski events. This project has now been successfully completed and includes wire rope for a new and advanced-technology high speed detachable chair lift for which extremely demanding standards were set for the wire rope.

Wrights has continued to expand its distribution activity. It has extended the service center network to Montréal and customer response has been positive. The Company's commitment to the engineering of ropes to meet individual customer requirements and

its high standard of after-sales service has made this service center concept effective in several major markets.

Florida Wire and Cable, of Jacksonville, Florida, is the leading producer in the U.S. of prestressed concrete strand used in the construction of concrete structural members for bridges and buildings, and of galvanized guy strand for the utility industry.

Strong growth was recorded by Florida Wire and Cable during 1986 not only in its traditional product lines but also as a result of a new business start-up, an acquisition, and an investment in a tire cord manufacturer.



This state-of-the-art high speed detachable chair ski lift designed and installed by Doppelmeyer Lifts operates with wire ropes manufactured by Wrights Canadian Ropes at the 1988 Olympic ski site.

Florida Wire and Cable is the largest supplier of prestressed concrete strand in the U.S. and demand for this key product remained strong during the year due to continued high levels of construction activity and the national highway rehabilitation program. The Company's new and proprietary epoxy-coated strand gained market acceptance during the year following completion of a major bridge in Illinois in which it was used. Many new applications have been identified and the market potential was further enhanced by the licensing of European distributors for the product.

Another significant technical advance was the production of the first known stainless steel, non-magnetic prestressed concrete strand

used for the construction of a demagnetizing pier for the U.S. Navy.

A number of new ventures were inaugurated during the year. These include:

Acquisition of a galvanized guy strand producer in Indiana. Production from the Amerstrand Division, combined with existing capacity in Florida, has made the Company the largest producer of this product in the U.S.;

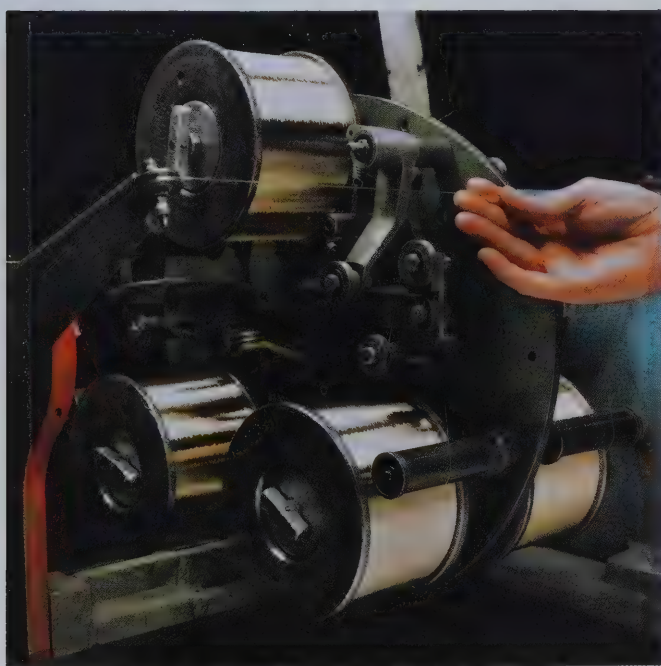
Establishment of FWC Supply Division which distributes poleline and other specialized hardware nationwide to the telecommunications and utility industries. The U.S. market for these products totals some \$300 million and thus offers

attractive opportunity for growth;

A 41% investment in Amercord Inc., a leading U.S. producer of high carbon wire products used in the manufacture of passenger car and truck tires;

Start-up of production for specialty wire rope manufacture in Florida through the Amerope Division. This division is aimed toward a specialized market niche having long-term potential.

The outlook is for continued strong growth in 1987.



Five spools of very fine brassplated wire to be bunched into tire cord at Amercord.



Florida Wire and Cable's galvanized steel grips for use in the electrical power and communications industry.

PAPER MACHINE CLOTHING

The manufacture of paper machine clothing is a precise process whereby clothing is engineered specifically for each individual paper machine. On any paper machine there are three applications for paper machine clothing: forming fabrics, wet felts, and dryer felts. Modern paper machines operate at extremely high speeds and are subject to constant fine tuning to improve productivity. The successful supplier of clothing must offer excellent product

quality, comprehensive technical service and constant product innovation.

Niagara Lockport has become a significant force in this industry due to total commitment to quality, service and innovation.

The reliability of paper machine clothing is important to the paper and paperboard manufacturer's efficiency and thus a continual R&D program is required in order to assure the customer of superior products. One recent Company advance was the installation of pre-compaction equipment at Starkville, Mississippi, which is capable of compacting a felt to such a degree that Niagara Lockport customers can now bring their machines up to a

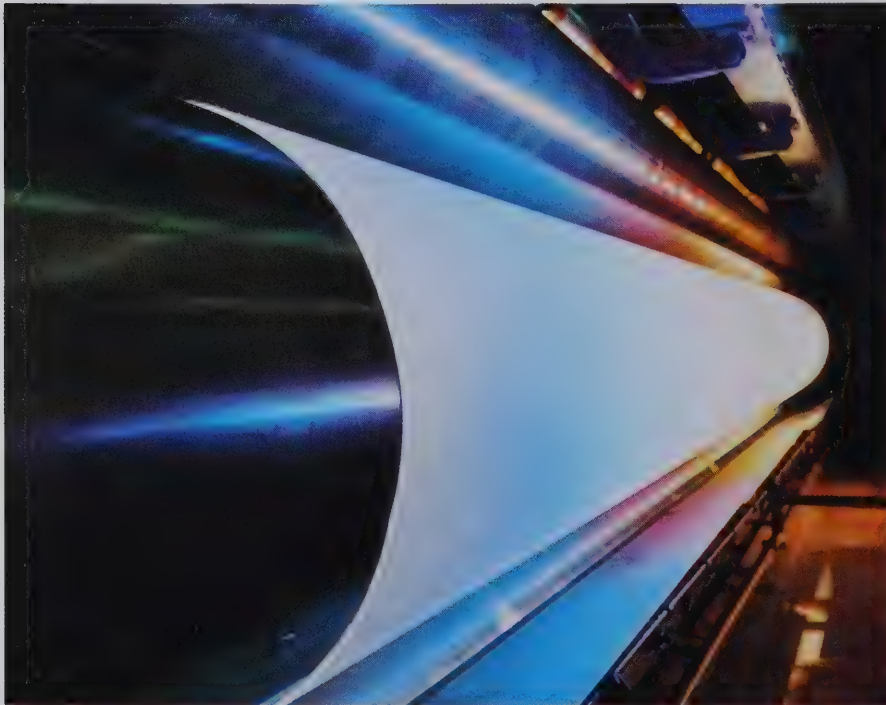
maximum speed much faster than was previously possible.

Management has long recognized an increasing demand for quality improved products. Accordingly, a sophisticated statistical control system was put into place that ensures the highest possible standards are met and, in fact, exceeded.

These customer-sensitive advances have made a decisive impact in the marketplace and have assisted Niagara Lockport in improving its market share, especially through rapid acceptance of new product lines. The successful implementation of a quality improvement program has also significantly reduced product returns and allowances.

Momentum gained from these experiences has prompted Niagara Lockport to move into new, large and demanding markets. One such area is the manufacture of paper machine clothing for the tissue paper field. This profitable market requires innovative product lines that meet the most exacting standards and excellent penetration is being achieved.

It is particularly gratifying to note Niagara Lockport's continuing success in international markets. In fact, exports have risen significantly in 1986 and the forecast for 1987 is excellent.



A Niagara Lockport felt is being pre-compacted to ensure maximum performance and efficiency.

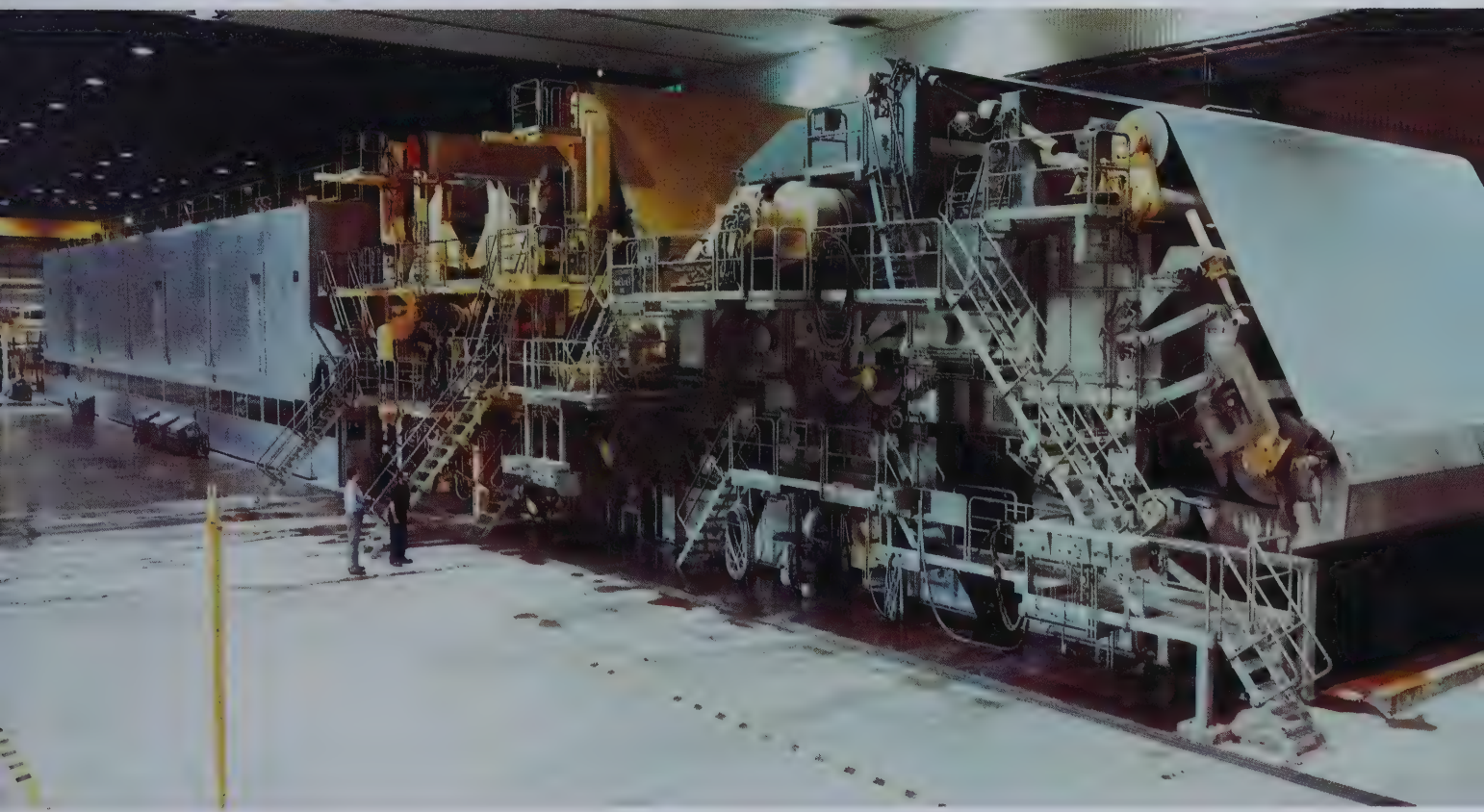


In order to maintain leadership in this highly competitive industry, substantial capital expenditures will continue. The focus of equipment improvements will remain on providing the highest standards of quality and service.

The outlook for 1987 is for the industry to remain firm and for Niagara Lockport to continue its successful penetration into new products and new markets.

Control panel in Starkville, Mississippi oversees needling of press felts on newly-installed needle loom.

A Beloit high speed paper machine operating with Niagara Lockport clothing.



ARROWHEAD AND DOCAP

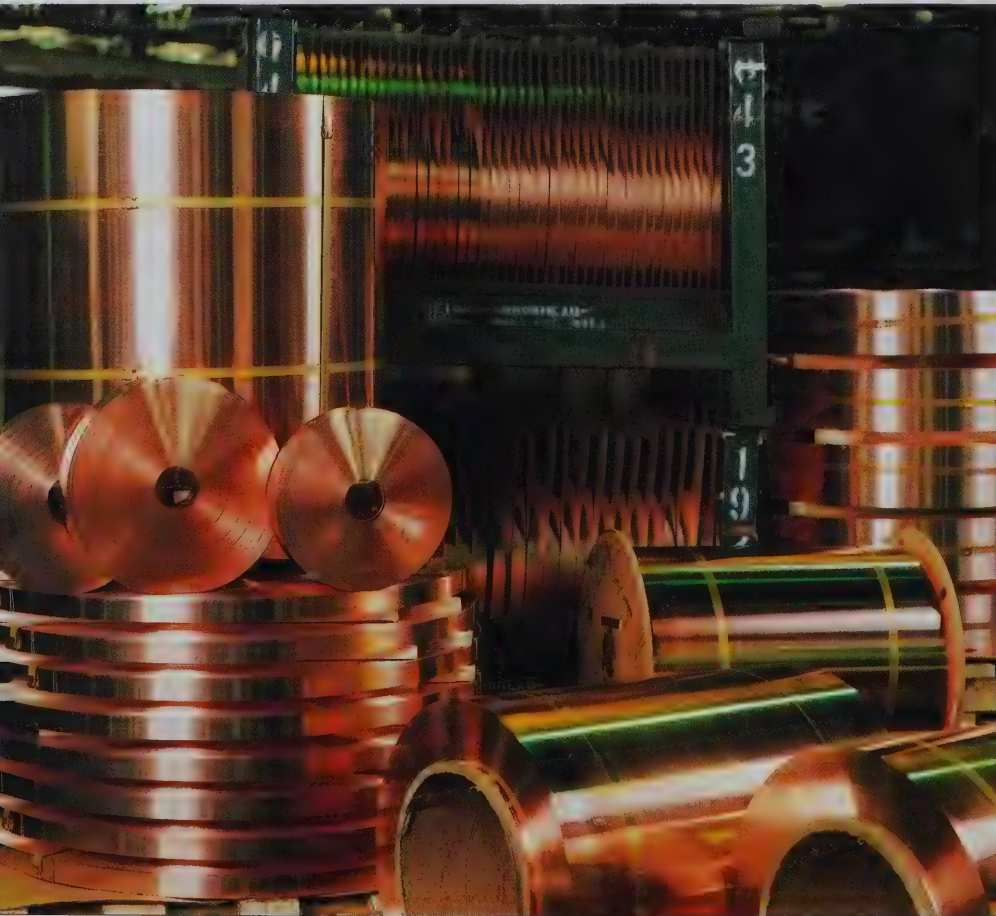
ArrowHead Metals is Canada's leading producer of copper and copper alloy products. ArrowHead's Toronto facility has approximately one million square feet under roof, from which it supplies high quality coppermetals to such leading customers as The Royal Canadian Mint and to a range of diverse industries such as automotive, electrical and plumbing.

ArrowHead's products are supplied in a wide range of forms including sheet, strip, rod and a broad range of extruded and cast shapes.

ArrowHead has committed to major investments designed to enhance productivity and supply heavier coils. Specifically, the Company will install a dual-headed milling line during 1987. This equipment is designed to remove surface oxides from hot rolled strip.

ArrowHead was acquired by Ivaco as part of the purchase of The AHL Group in late 1985. Another company

which was acquired at the same time is a distributor of automotive and industrial products to the Canadian automotive aftermarket. It is called Docap and is two-thirds owned by Ivaco. Docap operates warehouses across Canada and is an exclusive distributor for many of the 16,000 products which it carries.



Display of representative ArrowHead products.



Noma Inc., an ArrowHead customer, is a major manufacturer of extension cords.

CANRON

Canron, owned 79% by Ivaco, is a dynamic and diversified business with operations in Canada, the United States, and Australia.

Canron operates within four key industry segments:

Steel Fabrication and Service

Canron is one of North America's major fabricators and erectors of structural steel and has fabricated steel for and erected some of the continent's most noteworthy structures.

It has developed a sophisticated computerized drafting and manufacturing system enabling it to improve control, reduce costs, and respond to business opportunities quickly and efficiently. Recent significant contracts in Eastern Canada include work on Dofasco's continuous caster project at Hamilton, the General Motors' plant at Oshawa, and the General Motors/Suzuki plant at Ingersoll.

In the Eastern U.S., Canron successfully completed three years of substantial work on the high profile Olympia & York Battery Park project, now a major landmark in the New York financial district, and acquired fabricating facilities at Conklin, New York.

Operations in Western Canada remained difficult but Canron won several notable projects, including construction services work, expansion at West Edmonton Mall and work on two important bridges.

Western U.S. operations were augmented during the year by the acquisition of fabricating capacity at Portland, Oregon. Steel fabrication was completed for two large office towers in Seattle and several major fabrication and erection contracts have been booked for 1987.

Plastics and Hyprescon Pipe

Canron is the largest manufacturer of plastic pipe in

Canada and, as a result of acquisitions made during 1986, is in the process of becoming an important supplier in the U.S. for plastic products.

The plastic products are pipe and fittings for municipal, industrial, utility, commercial and residential construction applications. The high pressure concrete pipe and fittings market is oriented to municipal waterworks and sewer projects.

During 1986, Canron acquired two plastic pipe facilities in the U.S. One serves the New England area and the second at Macon, Georgia, will serve the Southeastern U.S. market.

Canron Inc. is a leader in the manufacture of plastic and concrete pipe.





Canron's structural steel division had a major role in the construction of New York's Battery Park.

Machinery and Equipment

This segment consists of railway track equipment, metal forming systems, and specialized process equipment.

Tamper manufactures sophisticated equipment for the maintenance and replacement of railway track in the U.S. and in Australia. The "C" Series of track maintenance machines, introduced last year, has received very positive acceptance.

With the view to optimize return on assets, the Company is investigating the possibilities of a merger with another major railway equipment supplier, the Fairmont Railway

Motors unit of Harsco Corp. It is intended that the merged entity will be operated as a 50-50 joint venture.

The mechanical division has created an identifiable niche for the manufacturing and rebuilding of specialty process machinery, particularly for the pulp and paper industry in Canada. Several new markets have been identified during the past year and growth prospects are improving.

Iron Foundry

The iron foundry segment comprises foundry and related activities, iron pipe, and mining industry products.

A broad range of complex products is manufactured at Hamilton, Ontario including superior quality ingot molds for the primary steel industry. The Company's newly developed compacted graphite ingot molds have received excellent market response.

The Company has also developed an important service business which applies proprietary coatings to the electrodes used in electric furnaces to extend the life of electrodes and reduce cost for steelmakers and foundry operators. A U.S. partner has been selected to expand its markets to include U.S. steel mills.

CONSOLIDATED STATEMENT OF EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1986

	Thousands of dollars	
	1986	1985
Net sales	\$1,944,777	\$ 1,342,670
Cost of sales and operating expenses	1,756,812	1,203,758
Depreciation and amortization	56,319	39,510
	1,813,131	1,243,268
Earnings from operations	131,646	99,402
Interest on long-term liabilities	49,793	40,757
Other interest	6,018	6,554
Investment income	(5,857)	(5,499)
	49,954	41,812
Earnings before income taxes and other items	81,692	57,590
Provision for income taxes (Note 9)		
Current	15,819	11,307
Deferred	16,859	7,019
	32,678	18,326
Earnings before other items	49,014	39,264
Minority interest	5,957	4,119
Net earnings before extraordinary gain	43,057	35,145
Extraordinary gain on sale of investment, net of income taxes	1,035	—
Net earnings	\$ 44,092	\$ 35,145
Net earnings per Class A and Class B share		
Before extraordinary gain	\$1.05	\$1.04
After extraordinary gain	\$1.11	\$1.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 1986

		Thousands of dollars	
		1986	1985
Current assets	Cash	\$ 11,523	\$ 1,590
	Accounts receivable	229,081	156,819
	Inventories (Note 2)	606,164	458,126
	Prepaid expenses	14,216	6,551
	Total current assets	860,984	623,086
Current liabilities	Bank indebtedness, partly secured	61,468	9,144
	Accounts payable and accrued liabilities		
	Trade and other	263,542	180,310
	Directors	6,631	6,935
	Income taxes	3,009	—
	Current maturities of long-term liabilities	37,484	26,192
	Deferred income taxes	838	5,478
	Total current liabilities	372,972	228,059
Working capital		488,012	395,027
	Portfolio investments, at cost (Note 3)	117,303	117,329
	Fixed assets (Note 4)	657,777	503,623
	Other assets and investments (Note 5)	62,319	37,401
Total investment		1,325,411	1,053,380
	Deduct		
	Long-term liabilities (Note 6)	531,207	395,849
	Accrued costs of pension plans (Note 7)	28,950	27,229
	Deferred income taxes	69,909	49,835
	Minority interests	90,373	59,861
		720,439	532,774
Shareholders' equity		\$ 604,972	\$ 520,606
Represented by	Capital stock (Note 8)	\$ 433,795	\$ 358,745
	Cumulative translation adjustment	30,583	31,714
	Retained earnings	140,594	130,147
		\$ 604,972	\$ 520,606

On behalf of the Board

Isin Ivanier, Director

Paul Ivanier, Director

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1986

Thousands of dollars

		1986	1985
Operating activities	Operations		
	Net earnings before extraordinary gain	\$ 43,057	\$ 35,145
	Depreciation and amortization	56,319	39,510
	Deferred income taxes	16,859	7,019
	Minority interest	5,957	4,119
	Other items	(5,960)	(1,169)
	Working capital provided from operations	116,232	84,624
	Increase in non-cash working capital items	(46,919)	(27,662)
	Cumulative translation adjustment	(2,938)	8,432
	Other items	(6,257)	(2,486)
	Cash provided by operating activities	60,118	62,908
Financing activities	Issue of capital stock	76,452	137,630
	Dividends	(33,655)	(27,871)
	Additional long-term liabilities	141,628	154,813
	Repayment of long-term liabilities	(67,076)	(157,685)
	Cash (bank indebtedness) of subsidiary at date of acquisition	54,200	(21,143)
	Other items	(1,385)	(7,221)
	Cash provided by financing activities	170,164	78,523
Investing activities	Acquisition of subsidiaries (Note 10)	(117,150)	(50,154)
	Net additions to fixed assets	(84,406)	(46,320)
	Business acquisitions (Note 11)	(53,248)	—
	Redemption of preferred shares of subsidiary	(15,000)	—
	Other items	(2,869)	(630)
	Cash used in investing activities	(272,673)	(97,104)
Bank indebtedness, net of cash	(Increase) decrease in bank indebtedness	(42,391)	44,327
	Balance at beginning of year	(7,554)	(51,881)
	Balance at end of year	\$ (49,945)	\$ (7,554)

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1986

	Thousands of dollars	
	1986	1985
Balance at beginning of year	\$130,147	\$125,658
Add		
Net earnings	44,092	35,145
Gain on purchase of preferred shares	10	37
	174,249	160,840
Deduct		
Preferred dividends	24,222	20,943
Dividends on Class A and Class B shares including stock dividends payable in subordinated non-voting preferred shares	9,433	7,478
Costs relating to issue of capital stock	—	2,272
	33,655	30,693
Balance at end of year	\$140,594	\$130,147

AUDITORS' REPORT

The Shareholders,
Ivaco Inc.

We have examined the consolidated statement of financial position of Ivaco Inc. as at December 31, 1986 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Montréal, Québec
February 26, 1987.

Touche Ross & Co.
Chartered Accountants

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1986

1. Significant accounting policies

The Company follows accounting principles generally accepted in Canada in the preparation of its consolidated financial statements.

Basis of Consolidation

The consolidated financial statements include the accounts of Ivaco Inc. and its subsidiaries. The excess of cost over net assets at the dates of acquisition is allocated to fixed assets and is being depreciated over the estimated useful lives of the respective fixed assets.

Investments in enterprises in which the Company has a 20% to 50% ownership interest are carried on the equity method of accounting. The differences between the underlying book value of net assets at the dates of acquisition and the purchase price are being amortized over the estimated useful lives of the investees' fixed assets.

Foreign Currency Translation

Assets and liabilities of foreign operations are translated into Canadian dollars at year end exchange rates. Gains and losses on translation are deferred and included as a separate component of shareholders' equity. Income and expenses are translated at average exchange rates prevailing during the year.

Foreign assets and liabilities of Canadian operations are translated into Canadian dollars at year end exchange rates. Gains and losses are included in the determination of net earnings except for unrealized translation gains and losses on long-term monetary items which are deferred and are amortized over the remaining lives of the related items. Income and expenses are translated at average exchange rates prevailing during the year.

Inventories

Inventories are stated at the lower of cost (determined substantially on the first-in, first-out method) and net realizable value. Costs to date on uncompleted contracts less progress billings for the fabrication and erection of structural steel are included as a component of semi-finished inventories.

Fixed Assets and Depreciation

Fixed assets are stated at cost after deducting related investment tax credits and government grants. Interest costs related to major capital expenditures are capitalized during the period of construction. Depreciation is computed principally on the straight-line method over the estimated useful lives of the respective assets as follows:

Buildings	40 years
Steelmaking and rolling mill equipment	25 years
Manufacturing equipment	15 years

Deferred preproduction and development costs

Certain costs relating to the start-up of new facilities and major plant additions, incurred prior to the commencement of commercial production, are deferred and amortized over periods of up to five years.

1. Significant accounting policies
(Continued)

Research and development expenditures are expensed as incurred with the exception of costs related to the development of new products, processes and systems to the extent that their recovery can be reasonably assured. Deferred development costs are amortized over appropriate future periods on commencement of operation or commercial production.

Net earnings per Class A and Class B share

Net earnings per Class A and Class B share are calculated after deducting dividends on preferred shares and second preferred shares using the weighted average number of shares outstanding during the year. Fully diluted net earnings per Class A and Class B share are calculated assuming conversion of all second preferred shares and assuming all warrants and stock options had been exercised at the beginning of the year.

2. Inventories

	Thousands of dollars	
	1986	1985
Finished and semi-finished*	\$ 321,101	\$244,045
Raw materials and supplies	285,063	214,081
Total inventories	\$ 606,164	\$458,126

*Includes costs to date of uncompleted contracts for the fabrication and erection of structural steel of \$71,068 (Nil in 1985) less progress billings of \$64,422 (Nil in 1985).

3. Portfolio investments

Pursuant to the terms of trust agreements, the Company pledged 2,976,157 common shares of Dofasco Inc. to secure the exchange privileges attaching to the 9.5% exchangeable debentures and 3,000,000 common shares of Dofasco to secure the exchange privileges attaching to the \$2.72 cumulative redeemable exchangeable second preferred shares, Series 4.

4. Fixed assets

	Thousands of dollars	
	1986	1985
Land	\$ 29,627	\$ 11,815
Buildings	191,585	145,884
Machinery and equipment	938,900	742,488
	1,160,112	900,187
Less: Accumulated depreciation	502,335	396,564
Total fixed assets	\$ 657,777	\$503,623

5. Other assets and investments

	Thousands of dollars	
	1986	1985
Investment in non-consolidated companies, at equity	\$ 19,157	\$ 4,829
Investment in Canron Inc., at cost	—	7,318
Net assets of discontinued operations	7,656	—
Deferred preproduction and development costs and other deferred charges, less amortization	11,201	3,460
Deferred financing costs, less amortization	6,200	5,532
Deferred translation adjustment, less amortization	8,031	11,496
Other items	10,074	4,766
Total other assets and investments	\$ 62,319	\$ 37,401

6. Long-term liabilities

	Thousands of dollars	
	1986	1985
Secured		
Debentures maturing in 1993		
Series A at 11.74% (\$13.6 million U.S.)	\$ 18,775	\$ 21,953
Series B at 12.48%	10,900	12,600
Sinking Fund Debentures maturing to 1994		
Series D at 6.75%	2,946	—
Series E at 9.25%	8,053	—
Series F at 13.875%	16,740	—
Revolving bank loans maturing to 1994 of which		
\$50.0 million are in U.S. funds*	139,540	90,265
Industrial Revenue Bonds principally at 7.2% maturing		
to 2001 (\$18.1 million U.S.)	24,969	23,015
Mortgages principally at 10% maturing to 2002	14,974	6,705
Unsecured		
9.5% exchangeable debentures maturing in 2010 (Note 3)	95,237	95,267
Revolving bank loans maturing to 1995 of which		
\$4.4 million are in US funds*	40,879	29,836
Bank loans maturing to 1993* (\$70.6 million U.S.)	97,525	57,962
Notes principally at 8.2% maturing to 2001		
(\$38.4 million U.S.)	52,971	56,904
Deferred accounts payable principally at 8.7% maturing		
to 1991, of which \$19.5 million are in U.S. funds	20,759	15,661
Other	24,423	11,873
	568,691	422,041
Less current maturities	37,484	26,192
Total long-term liabilities	\$531,207	\$395,849

Required payments over the next five years are: \$37.5 million in 1987; \$24.1 million in 1988; \$61.8 million in 1989; \$87.5 million in 1990; and \$55.6 million in 1991.

The exchangeable debentures which are exchangeable, at the option of the holders, for 2,976,157 common shares of Dofasco Inc. bear interest at 9.5% per annum to April 15, 1990 and after April 15, 1990, at a semi-annual rate equal to the sum of (i) the cash dividends paid by Dofasco per Dofasco common share during the six calendar months immediately preceding the interest payment date divided by \$32.00, expressed as a percentage and (ii) 2.5%.

* At the Company's option bank loans bear interest relating to either prime, bankers' acceptance rates, domestic fixed rates or U.S. dollar LIBOR rates. At December 31, 1986, the average interest rate on debt denominated in Canadian dollars was 9.17% and on debt denominated in U.S. dollars was 7.18%. During the year, the Company negotiated fixed rates of interest averaging 8.42% on \$30 million U.S. of its floating rate debt for a period of five years. The Company may negotiate fixed rates of interest on an additional \$159.2 million of its floating rate debt, which amounted to \$203.5 million at December 31, 1986.

- 7. Pensions and accrued costs of pension plans** The Company and its subsidiaries have pension plans covering a majority of employees. Pension expense in 1986 of \$18.6 million (1985 — \$16.0 million) includes amortization of past service costs over periods of 15 to 40 years. The actuarially computed value of vested benefits as of the dates of the most recent actuarial studies exceeded the market value of pension fund assets and year end accruals by approximately \$25.3 million.

- 8. Capital stock** *Authorized*
An unlimited number of preferred shares issuable in series, second preferred shares issuable in series, subordinated non-voting preferred shares, Class A subordinate voting shares (Class A shares) and Class B voting shares (Class B shares) — all without par value.

Issued and outstanding

	Number of shares		Thousands of dollars	
	1986	1985	1986	1985
Preferred shares				
\$4.425 Series C	219,550	231,550	\$ 10,977	\$ 11,577
\$2.50 Series D	685,135	695,200	17,128	17,380
\$2.40 Series E	826,180	826,180	20,655	20,655
Second preferred shares				
\$2.00 Series 1	1,847,062	1,999,600	46,177	49,990
\$2.00 Series 2	1,930,114	1,999,400	48,253	49,985
\$2.25 Series 3	1,200,000	1,200,000	30,000	30,000
\$2.72 Series 4 (Note 3)	3,000,000	3,000,000	96,000	96,000
Subordinated non-voting preferred shares	—	54,952	—	550
Class A shares	11,213,381	6,871,813	145,783	63,035
Class B shares	7,077,802	7,300,486	18,822	19,573
Total capital stock			\$433,795	\$358,745

Preferred shares

The preferred shares are non-voting and each series of preferred shares ranks equally with all other series of preferred shares and ahead of the second preferred shares, subordinated non-voting preferred shares and Class A and Class B shares.

Series C

The \$4.425 Series C cumulative redeemable preferred shares may be purchased by the Company on the open market at prices not exceeding the applicable redemption price. The Company will make all reasonable efforts to purchase 3,000 shares for cancellation on the open market in each calendar quarter at prices not exceeding \$50 per share. During the year, 12,000 such shares were purchased and cancelled. The Company may redeem Series C preferred shares at \$51.50 per share to July 1, 1987, decreasing by \$0.375 each year commencing thereafter up to and including July 1, 1990, and thereafter at \$50 per share.

8. Capital stock
(Continued)

Series D

The \$2.50 Series D cumulative redeemable preferred shares may be purchased by the Company on the open market at prices not exceeding \$26.50 per share prior to October 1, 1987 and thereafter at prices not exceeding the applicable redemption price. The Company will make all reasonable efforts to purchase 7,200 shares for cancellation on the open market in each calendar quarter at prices not exceeding \$25 per share. During the year, the market price exceeded \$25 per share, accordingly no shares were purchased. The Company may redeem Series D preferred shares at \$26.50 per share to October 1, 1987, decreasing by \$0.25 each year commencing thereafter up to and including October 1, 1992 and thereafter at \$25 per share. On October 1, 1986, in accordance with the terms of issue, the Company purchased for redemption 10,065 shares at \$25 per share. On October 1, 1992 the Company will purchase for redemption at \$25 per share, all shares tendered at the option of each holder.

Series E

The \$2.40 Series E cumulative redeemable preferred shares may be purchased by the Company on the open market at prices not exceeding \$26.50 per share prior to October 1, 1991 and thereafter at prices not exceeding the applicable redemption price. The Company will make all reasonable efforts to purchase 4,250 shares for cancellation on the open market in each calendar quarter to September 30, 1991 and 8,500 shares for each quarter thereafter at prices not exceeding \$25 per share. During the year, the market price exceeded \$25 per share and accordingly no shares were purchased. The Company may redeem Series E preferred shares on or after October 1, 1991 at \$26.50 per share in the first year, decreasing by \$0.25 each year commencing thereafter up to and including September 30, 1997 and thereafter at \$25 per share. On October 1, 1991 the Company will purchase for redemption at \$25 per share, at the option of each holder, 425,000 shares less the number of shares previously redeemed or purchased. On October 1, 1997 the Company will purchase for redemption all shares tendered at \$25 per share.

Second preferred shares

The second preferred shares are non-voting and each series of second preferred shares ranks equally with all other series of second preferred shares and after the preferred shares and ahead of the subordinated non-voting preferred shares and the Class A and Class B shares.

Series 1

The \$2.00 Series 1 cumulative redeemable second preferred shares are convertible at the option of the holder on or before August 15, 1990 into 1½ Class A shares for each Series 1 second preferred share. During the year 152,538 Series 1 second preferred shares were converted into 203,379 Class A shares. The Company may redeem Series 1 second preferred shares prior to August 15, 1988 at \$26.25 per share, provided the market price of the Class A shares is greater than 125% of the conversion price at that time. After August 15, 1988, the Company may redeem Series 1 second preferred shares at \$26 per share reducing by \$0.25 for each year thereafter until August 15, 1992 and thereafter at \$25 per share. A purchase obligation commences in 1990.

8. Capital stock (Continued)

Series 2

The \$2.00 Series 2 cumulative redeemable second preferred shares are convertible at the option of the holder on or before December 18, 1990 into $1\frac{1}{3}$ Class A shares for each Series 2 second preferred share. During the year 69,286 Series 2 second preferred shares were converted into 92,379 Class A shares. The Company may redeem Series 2 second preferred shares prior to December 18, 1988 at \$26.25 per share, provided the market price of the Class A shares is greater than 125% of the conversion price at that time. After December 18, 1988, the Company may redeem Series 2 second preferred shares at \$26 per share reducing by \$0.25 each year thereafter until December 18, 1992 and thereafter at \$25 per share. A purchase obligation commences in 1991.

Series 3

The \$2.25 Series 3 cumulative redeemable second preferred shares are convertible at the option of the holder on or before August 15, 1990 into 1.39 Class A shares for each Series 3 second preferred share. The Company may redeem Series 3 second preferred shares on or after August 15, 1987 and prior to August 15, 1989 at \$26.25 per share, provided the market price of the Class A shares is greater than 125% of the conversion price at that time. After August 15, 1989 the Company may redeem Series 3 second preferred shares at \$26 per share reducing by \$0.25 for each year thereafter until August 15, 1993 and thereafter at \$25 per share. A purchase obligation commences in 1991.

Series 4

The \$2.72 Series 4 cumulative redeemable exchangeable second preferred shares are exchangeable, at the option of the holder, into one common share of Dofasco Inc. for each Series 4 second preferred share. Cumulative preferential per share dividends after April 15, 1990, will be determined by applying to \$32.00 a quarterly rate equal to the sum of (i) the cash dividends paid by Dofasco per common share of Dofasco during the three calendar months immediately preceding the dividend payment date divided by \$32.00 expressed as a percentage, and (ii) 1%.

Subordinated non-voting preferred shares

The subordinated non-voting preferred shares are redeemable at issue price and rank after the preferred shares and second preferred shares and ahead of the Class A and Class B shares in respect of non-cumulative dividends at \$0.50 per share.

Class A Subordinate Voting and Class B Voting Shares

The Class A subordinate voting shares (Class A shares) carry one vote per share and the Class B voting shares (Class B shares) carry ten votes per share. The Class A shares have a dividend rate equal to 120% of any dividend declared on the Class B shares.

The Class A shares and the Class B shares are treated equally in the event of liquidation or in any subdivision or consolidation of either class. In the event an acquisition offer is made to holders of Class B shares and at least 50% of the Class B shares are tendered in acceptance of the offer and a similar offer is not made to holders of Class A shares then each Class A share will for purposes of the offer be deemed to have been converted into a Class B share in order that the Class A shares will be treated equally with the Class B shares.

The Class B shares may be converted into an equal number of Class A shares at any time.

During the year, the following transactions occurred in the Class A shares and the Class B shares:

8. Capital stock (Continued)

	Number of shares		Thousands of dollars	
	Class A	Class B	Class A	Class B
Balance at December 31, 1985	6,871,813	7,300,486	\$ 63,035	\$19,573
Issued on acquisition of Canron Inc.	3,791,248	—	75,977	—
Conversion from:				
Class B to Class A	222,684	(222,684)	751	(751)
Series 1 second preferred to Class A	203,379	—	3,813	—
Series 2 second preferred to Class A	92,379	—	1,732	—
Issued for cash under Employees' Stock Option Plan	31,878	—	475	—
Balance at December 31, 1986	11,213,381	7,077,802	\$145,783	\$18,822

Warrants

At December 31, 1986, 799,800 Class A share purchase warrants were outstanding. Each warrant entitles the holder to purchase one Class A share at \$18.75 until August 15, 1988.

Stock options

At December 31, 1986, options for 67,399 Class A shares granted under the employees' stock option plan were outstanding at \$9.56 per share.

9. Income taxes

	1986	1985
Combined basic federal and provincial income tax rate	50.3%	47.5%
Income tax adjustments resulting from:		
Canadian manufacturing and processing credits	(4.1)	(4.7)
Inventory allowances	(0.5)	(3.8)
Difference between Canadian and foreign tax rates and other items	(1.1)	(2.8)
Items not subject to tax	(4.6)	(4.4)
Effective income tax rate	40.0%	31.8%

Certain U.S. subsidiaries of Canron Inc. have incurred income tax losses of approximately \$25.3 million (U.S. \$18.3 million) which may be applied against future years' taxable income. These losses, for which no benefits have been recognized in the accounts, expire from 1997 to 2001.

10. Acquisition of Canron

In January 1986, the Company completed its acquisition of 97% of the common stock of Canron Inc., a diversified industrial products company. The purchase price was satisfied by the payment of \$78.5 million cash and by the issuance of 3,791,248 Class A shares.

Under the terms of the acquisition agreement, the Company and Canron entered into a Standstill Agreement whereby the Company will use its reasonable best efforts to reduce its direct holdings of Canron's common stock to 51% by December 15, 1988.

During May 1986, the Company completed a \$32.2 million secondary issue of Canron shares. The issue consisted of 1,500,000 Class A common shares of Canron together with warrants which, after giving effect to Canron's recent share capital reorganization, entitles the holders to purchase an additional 750,000 Class A and 75,000 Class B shares of Canron until May 31, 1989. As a result of the sale, ownership of Canron's equity shares has been reduced from 97% to 79%.

10. Acquisition of Canron
(Continued)

The acquisition has been accounted for by the purchase method of accounting. Accordingly, the consolidated financial statements include the results of Canron's operations since January 31, 1986, the effective date of acquisition. Summarized below are the assets, liabilities and minority interest with respect to Canron at such date.

	Thousands of dollars
Current assets	
Cash	\$ 54,200
Accounts receivable	60,876
Inventories	82,224
Prepaid expenses	5,667
	202,967
Current liabilities	
Accounts payable	(67,267)
Current portion of long-term liabilities	(23,186)
Working capital	112,514
Net fixed assets	99,114
Other assets	20,242
Long-term liabilities	(53,325)
Deferred income taxes	(569)
Cumulative translation adjustment	(2,716)
Minority interest	(20,809)
Cost of Investment	\$154,451

11. Business acquisitions

During the year, Canron Inc. acquired certain of the assets of three plastic pipe manufacturers and two structural steel companies for a total cash consideration of \$46.8 million allocated as follows: \$13.8 million to working capital, \$29.5 million to fixed assets and \$3.5 million to other assets.

In June 1986, the Company acquired approximately 41% of the shares of Amercord Inc., a United States producer of steel tire cord. This investment is accounted for on the equity method.

12. Transactions with related parties

From time to time the Company borrows short-term funds from directors who are senior officers of the Company and makes drawings available to them, all at prime interest rates. At no time during the year have drawings by these persons exceeded the short-term funds loaned by them to the Company.

13. Comparative figures

The 1985 figures have been reclassified to conform with the presentation adopted in 1986.

14. Segmented information

The Company operates principally in Canada and the United States in two industry segments. The Company operates in its principal line of business and dominant segment as a steel producer and manufacturer of a wide variety of steel products and fabricator and erector of structural steel. It also operates as a manufacturer of plastics and Hyprescon pipe. Prior to January 31, 1986, the Company operated in one industry segment.

Transfers between geographic segments are made at fair market value. Canadian sales to outside customers include export sales in 1986 of \$350 million (1985 — \$254 million) primarily to customers in the United States. Highlighted on the following page is the breakdown of net sales, earnings from operations and identifiable assets by industry and geographic segments.

14. Segmented information (Continued)

Industry segment	Thousands of dollars		
	Steel	Plastics and Hyprescon Pipe	Consolidated
Net sales	\$1,786,225	\$158,552	\$1,944,777
Earnings from operations	\$ 108,829	\$ 22,817	\$ 131,646
Interest expense			(55,811)
Investment income			5,857
Earnings before income taxes and other items			81,692
Income taxes			(32,678)
Earnings before other items			49,014
Minority interest			(5,957)
Net earnings before extraordinary gain			43,057
Extraordinary gain			1,035
Net earnings			\$ 44,092
Assets identifiable by segment	\$1,575,577	\$122,806	\$1,698,383
Net additions to fixed assets	73,249	11,157	84,406
Depreciation and amortization	51,064	5,255	56,319

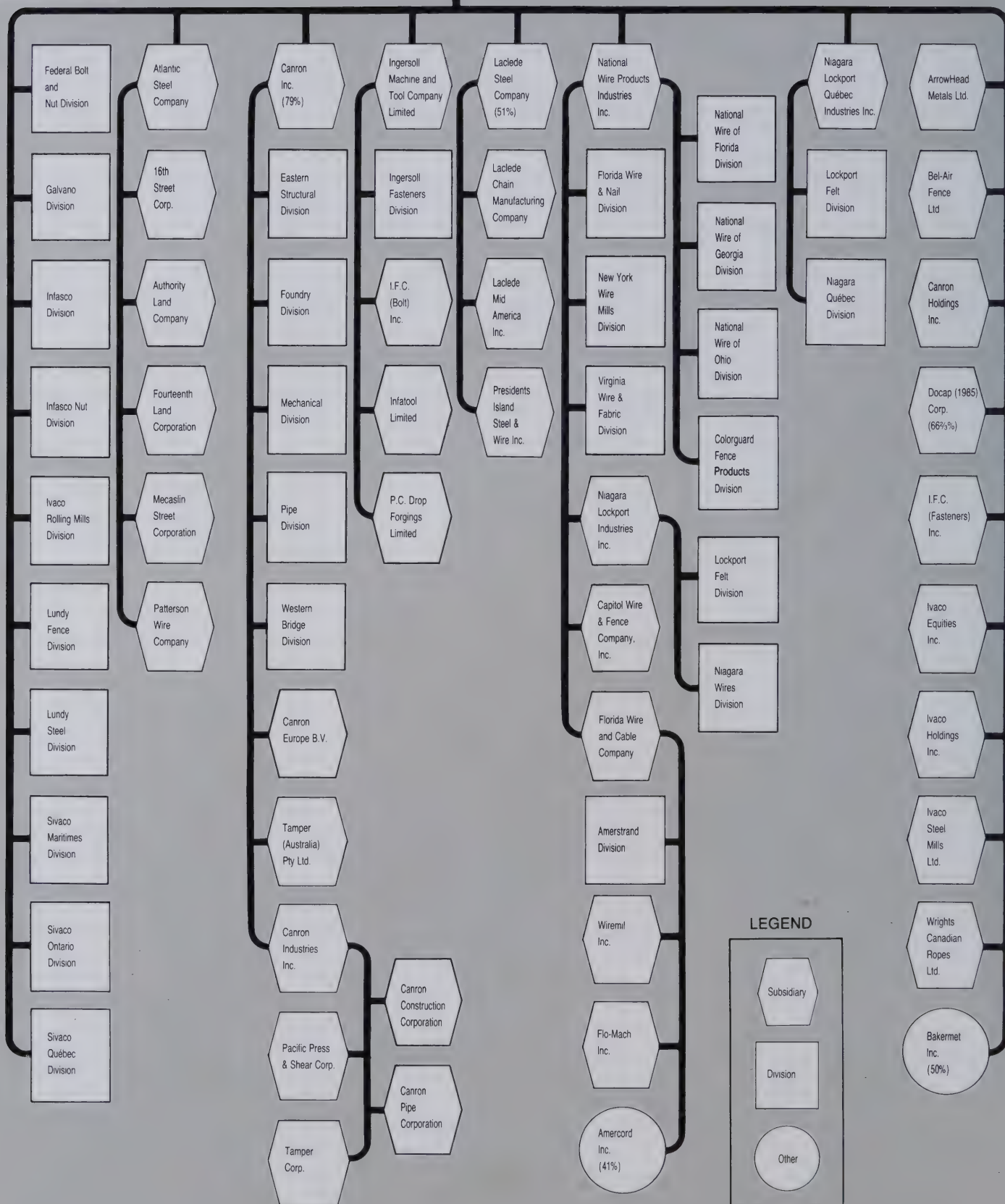
Geographic segment	1986				Thousands of dollars				1985			
	Canada	U.S.A.	Eliminations	Consolidated	Canada	U.S.A.	Eliminations	Consolidated	Canada	U.S.A.	Eliminations	Consolidated
Net sales												
Outside customers	\$ 952,260	\$992,517	\$ —	\$1,944,777	\$523,979	\$818,691	\$ —	\$1,342,670				
Intersegment exports	94,528	3,203	(97,731)	—	45,801	3,180	(48,981)	—				
Total sales	\$1,046,788	\$995,720	\$ (97,731)	\$1,944,777	\$569,780	\$821,871	\$ (48,981)	\$1,342,670				
Earnings from operations												
Outside customers	\$ 104,659	\$ 22,693		\$ 127,352	\$ 75,309	\$ 21,277		\$ 96,586				
Intersegment exports	3,983	311		4,294	2,439	377		2,816				
Total earnings from operations	\$ 108,642	\$ 23,004		131,646	\$ 77,748	\$ 21,654		99,402				
Interest expense				(55,811)				(47,311)				
Investment income				5,857				5,499				
Earnings before income taxes and other items				81,692				57,590				
Income taxes				(32,678)				(18,326)				
Earnings before other items				49,014				39,264				
Minority interest				(5,957)				(4,119)				
Net earnings before extraordinary gain				43,057				35,145				
Extraordinary gain				1,035				—				
Net earnings				\$ 44,092				\$ 35,145				
Assets identifiable by segment	\$1,224,719	\$508,910	\$ (35,246)	\$1,698,383	\$916,727	\$392,598	\$ (27,886)	\$1,281,439				

FINANCIAL SUMMARY

MILLIONS OF DOLLARS EXCEPT PER SHARE AMOUNTS

Operating Results	1986	1985	1984	1983	1982	1981
Net sales	\$1,944.8	1,342.7	1,193.9	754.7	681.7	718.3
Depreciation and amortization	\$ 56.3	39.5	34.5	27.0	23.9	19.6
Earnings from operations	\$ 131.6	99.4	94.8	40.7	28.7	79.5
Earnings (loss) before income taxes and other items	\$ 81.7	57.6	54.4	(0.3)	(25.7)	33.9
Provision for income taxes	\$ 32.7	18.3	15.8	(5.9)	(15.3)	8.6
Earnings (loss) before other items	\$ 49.0	39.3	38.6	5.6	(10.4)	25.3
Net earnings (loss) before extraordinary item	\$ 43.1	35.1	32.3	0.8	(9.9)	25.3
Net earnings (loss)	\$ 44.1	35.1	33.8	0.8	(9.9)	28.4
Net earnings (loss) Per Class A and Class B Share						
Before extraordinary item	\$ 1.05	1.04	1.53	(0.34)	(1.20)	2.08
After extraordinary item	\$ 1.11	1.04	1.64	(0.34)	(1.20)	2.37
Return on sales	% 2.3	2.6	2.8	0.1	(1.5)	4.0
Financial Position	1986	1985	1984	1983	1982	1981
Current assets	\$ 861.0	623.1	536.0	461.8	347.6	335.5
Current liabilities	\$ 373.0	228.1	263.2	191.0	204.7	223.3
Working capital	\$ 488.0	395.0	272.8	270.8	142.9	112.2
Net additions to fixed assets	\$ 84.4	46.3	39.5	16.6	42.6	60.8
Total assets	\$1,698.4	1,281.4	1,117.3	890.0	740.4	706.3
Long-term liabilities	\$ 531.2	395.8	350.8	263.4	273.4	207.3
Shareholders' equity	\$ 605.0	520.6	366.9	303.3	194.9	206.3
Dividends	\$ 33.7	28.4	19.4	10.3	7.0	9.3
Book value per Class A and Class B share	\$ 16.69	15.01	14.30	13.22	14.25	17.90

1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969
621.9	495.4	265.9	166.8	136.0	103.0	150.7	90.2	53.9	43.2	27.6	11.0
14.9	11.4	8.0	6.8	6.1	3.6	3.3	2.4	1.5	1.2	0.7	0.3
67.1	85.3	49.0	21.6	14.4	10.5	40.4	15.3	9.6	7.9	6.5	2.3
41.1	69.0	41.1	14.6	7.2	6.4	37.6	14.2	8.9	7.5	4.6	2.2
12.4	25.4	16.7	4.6	1.6	1.7	16.5	5.8	4.1	3.7	2.3	1.1
28.7	43.6	24.4	10.0	5.6	4.7	21.1	8.4	4.8	3.8	2.3	1.1
28.3	42.7	24.0	9.8	5.4	4.5	20.4	8.1	4.6	3.7	2.2	1.0
28.3	42.7	24.0	9.8	5.4	5.4	20.4	8.1	4.6	3.7	2.1	1.0
2.47	3.98	2.20	0.89	0.52	0.43	2.12	0.87	0.54	0.45	0.34	0.20
2.47	3.98	2.20	0.89	0.52	0.52	2.12	0.87	0.54	0.45	0.33	0.20
4.6	8.6	9.0	5.9	4.0	4.4	13.6	9.0	8.6	8.5	7.5	9.2
1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969
273.7	257.3	131.2	105.9	100.6	88.6	76.8	44.0	35.3	28.1	12.1	4.3
143.8	147.0	74.1	69.5	69.5	59.5	45.9	25.6	22.2	18.4	7.4	3.0
129.9	110.3	57.1	36.4	31.1	29.1	30.9	18.4	13.1	9.7	4.7	1.3
64.1	34.3	27.6	19.7	7.4	16.0	32.4	14.6	6.9	8.3	2.5	0.9
572.7	483.7	278.5	224.9	203.5	188.0	160.4	102.9	70.2	52.9	24.5	9.3
187.5	143.2	58.4	30.8	32.2	33.5	29.8	18.6	14.7	7.2	2.2	2.1
187.8	151.7	116.8	95.6	74.2	70.8	67.3	48.1	26.5	21.8	8.9	2.6
8.4	7.9	5.3	2.6	1.9	1.9	1.7	0.4	0.2	0.2	—	—
15.95	13.95	10.50	8.53	7.82	7.43	7.05	4.89	3.14	2.57	1.66	0.65



LEGEND

Subsidiary

Division

Other

Amerstrand Division

200 County Road South
P.O. Box 38
Oakland City, Indiana 47660
812/749-4102
Guy strand

ArrowHead Metals Ltd.

260 Eighth Street
Toronto, Ontario M8V 3E1
416/259-6611
Copper and copper alloy products

Atlantic Steel Company

1300 Mecaslin St. N.W.
Atlanta, Georgia 30318
P.O. Box 1714
Atlanta, Georgia 30301
404/897-4500
Billets; hot rolled bars, reinforcing bars and wire rods; bright, galvanized and annealed wire; and nails

Atlantic Steel Company

Peoples Valley & Grassdale Roads
P.O. Box 1069
Cartersville, Georgia 30120
404/382-8420
Billets, hot rolled bars and reinforcing bars

Bakermet Inc.

2555 Sheffield Road
Ottawa, Ontario K1B 3V6
613/745-7006
Processing of scrap metal

Bel-Air Fence Ltd.

400, rue Deslauriers
St. Laurent, Québec H4N 1V8
514/335-4455
2400, rue Chappe
Ancienne Lorette
Québec, Québec G2E 4W6
418/871-1155
Distribution and installation of fencing products and accessories

Canron Construction Corporation

Eastern Division
P.O. Box A, Shaw Road
Conklin, New York 13748
607/723-4862
Western Division
4600 NE 138th Avenue
Portland, Oregon 97230
503/255-8634
Structural steel fabrication and erection and construction services

Canron Eastern Structural Division

100 Disco Road
Rexdale, Ontario M9W 1M1
416/675-6400
Structural steel fabrication and erection and construction services

Canron Foundry Division

3050 Harvester Road
Burlington, Ontario L7N 3K7
416/681-1221
Ingot moulds, castings and coatings for arc furnace electrodes

Canron Mechanical Division

227, rue Saint-Maurice
Trois-Rivières, Québec G9A 3N8
819/378-4801
Pulp and paper machinery, logging equipment, cranes and hoists, gear drives and custom fabrication

Canron Pipe Corp.

New England Division
152 Hamilton Street
Leominster, Massachusetts 01453
617/537-6850
Southern Division
7614 Industrial Highway
Macon, Georgia 31297
912/784-9810
PVC DWV pipe, PVC sewer pipe, electrical conduit and electrical duct

Canron Pipe Division

1st Floor, Wing 3
Port of Montreal Building
Cité du Havre
Montréal, Québec H3C 3R5
514/861-7221
Plants at St. John's, Newfoundland; Saint John, New Brunswick; Anjou, Berthierville, Brossard, Montréal and St. Jacques Québec; Hamilton, North York, Rexdale and St. Thomas, Ontario; Langley, British Columbia; Weyburn, Saskatchewan; and Fort Saskatchewan, Alberta
Plastic, ductile iron and Hyprescon pipe and fittings

Canron Tamper Canada Division

435 Horner Avenue
Toronto, Ontario M8W 4W3
416/253-1233
Railway maintenance equipment

Canron Western Bridge Division

145 West First Avenue
Vancouver, British Columbia V5Y 1A2
604/874-2311
Structural steel fabrication and erection and construction services

Capitol Wire & Fence Company, Inc.

3334 Kenilworth Avenue
Hyattsville, Maryland 20781
301/779-7000
Wire and chain link fencing

Colorguard Fence Products Division

1205 - 68th Street
Baltimore, Maryland 21237
301/866-6770
Manufacture of bonded fencing products

Docap (1985) Corporation

21 Fasken Drive
Etobicoke, Ontario M9W 5M2
416/675-7571
Distributors of automotive and industrial products

Federal Bolt and Nut Division

55 Brown's Line
Toronto, Ontario M8W 3S4
416/251-4131
Bolts, nuts and fastener products

Flo-Mach, Inc.

825 North Lane Avenue
P.O. Box 6835
Jacksonville, Florida 32205
904/781-9224
Wire processing equipment

Florida Wire and Cable Company

825 North Lane Avenue
P.O. Box 6835
Jacksonville, Florida 32205
904/781-9224
High carbon wire and stranded products

Florida Wire & Nail Division

P.O. Box 816
Quincy, Florida 32351
904/875-1150
Wire and nails

Galvano Division

2620, rue Bernard-Pilon
Beloil, Québec J3G 4S5
514/464-0547
Electro-galvanizing and hot dip galvanizing of fasteners and nails

I.F.C. (Bolt) Inc.

Thomas St.
P.O. Box 40
Ingersoll, Ontario N5C 3K3
519/485-4610
Bolts and nuts

I.F.C. (Fasteners) Inc.

700, rue Ouellette
P.O. Box 970
Marieville, Québec J0L 1J0
514/658-8741
Bolts and nuts

Infasco Division

700, rue Ouellette
P.O. Box 970
Marieville, Québec J0L 1J0
514/658-8741
Bolts, nuts and fastener products

Infasco Nut Division

7283 Torbram Road
Mississauga, Ontario L4T 1G8
416/677-8920
Nuts

Infatool Limited

Ingersoll Street
P.O. Box 40
Ingersoll, Ontario N5C 3K3
519/485-4531
Dies and specialty tooling

Ingersoll Fasteners Division

Thomas Street
P.O. Box 40
Ingersoll, Ontario N5C 3K3
519/485-4610
Bolts, nuts and fastener products

Ingersoll Machine and Tool Company, Limited

347 King Street West
P.O. Box 250
Ingersoll, Ontario N5C 3K6
519/485-2210
Precision machined components and axles

Ivaco Rolling Mills Division

P.O. Box 322
L'Orignal, Ontario K0B 1K0
613/675-4671
Steel billets and hot rolled wire rods

Laclede Chain Manufacturing Company

2500 East First Street
P.O. Box 249
Maryville, Missouri 64468
816/562-2160
Chain manufacturing

Laclede Steel Company

Equitable Building
St. Louis, Missouri 63102
314/425-1400
Cold drawn wire, high carbon and oil-tempered; continuous weld pipe. A120/A53 and AP15L line pipe; hot rolled products, alloy and special quality bars, flat bars, narrow plate, strip, hot rolled wire rods, forging billets, and semi-finished products

Laclede Mid America Inc.

Feather Valley Road
P.O. Box 629
Fremont, Indiana 46737
219/495-5360
Oil-tempered wire

Lundy Fence Division

1900 Gage Court
Mississauga, Ontario L5S 1M2
416/671-4694
Barbed wire, chain link and farm fence

Lundy Steel Division

Forest Street East
Dunnville, Ontario N1A 2X5
416/774-7581
Wire, welded wire fabric, galvanized wire, barbed wire, farm and chain link fencing

National Wire of Florida Division

1314 - 31st Street
Tampa, Florida 33605
813/248-4134
Wire and welded wire fabric

National Wire of Georgia Division

24 Herring Road
Newnan, Georgia 30264
404/253-6333
U.S. Highway 17 &
Birkenhead Road
Savannah, Georgia 31407
912/964-1666
Wire and welded wire fabric

National Wire of Ohio Division

832 North Lallendorf Road
Toledo, Ohio 43616
419/698-8037
Wire and welded wire fabric

National Wire Products Industries, Inc.

8203 Fischer Road
Baltimore, Maryland 21222
301/477-1700
Wire, galvanized wire and welded wire fabric

New York Wire Mills Division

3937 River Road
P.O. Box 646
Tonawanda, New York
14151-0646
716/874-5681
Wire

Niagara Lockport Industries Inc.

(Lockport Felt Division)
Highway 12 West
Starkville, Mississippi 39759
601/323-4064
Paper machine clothing
(wet and dryer felts)

Niagara Lockport Industries Inc.

(Niagara Wires Division)
High Bridge Road
P.O. Box 979
Quincy, Florida 32351
904/627-7141
Paper machine clothing
(wet end forming fabrics)

Niagara Lockport Québec Industries Inc.

(Niagara Québec Division)
2106, rue Bellefeuille
P.O. Box 939
Trois-Rivières, Québec G9A 3Y9
819/379-5555
Paper machine clothing
(wet end forming fabrics)

Niagara Lockport Québec Industries Inc.

(Lockport Felt Division)
1, boulevard Lee
P.O. Box 420
Warwick, Québec J0A 1M0
819/358-5566
Paper machine clothing
(wet and dryer felts)

P.C. Drop Forgings Limited

837 Reuter Road
P.O. Box 100
Port Colborne, Ontario L3K 5V7
416/834-7211
Steel forgings

Pacific Press & Shear Corp.

5335 Oakbrook Parkway
Norcross, Georgia 30093
414/923-7676
Plants at Mt. Carmel, Illinois and
Greenwood, Mississippi
Machine tools and CAD/CAM
programming systems

Patterson Wire Company

Route 5, Box 251
Covington, Georgia 30209
404/786-9093
Farm fencing, electric fence wire
and annealed tie wire

Presidents Island Steel & Wire, Inc.

1175 Harbor Avenue
P.O. Box 13207
Memphis, Tennessee 38113
901/948-7710
Industrial wire, cold heading and
plating quality wire

Sivaco Maritimes Division

35 Akerley Boulevard
Dartmouth, Nova Scotia B3B 1J7
902/469-7412
Wire and nails

Sivaco Ontario Division

330 Thomas Street
P.O. Box 220
Ingersoll, Ontario N5C 3K5
519/485-4150
Wire

Sivaco Québec Division

800, rue Ouellette
P.O. Box 940
Marieville, Québec J0L 1J0
514/658-8741
Wire, welded wire fabric,
galvanized wire and nails

Tamper (Australia) Pty. Ltd.

4 Strathpine Street
P.O. Box 287
Strathpine 4500
Queensland, Australia
07/2056500
Railway maintenance equipment

Tamper Corp.

2401 Edmund Road
Box 20, Cayce-West
Columbia, South Carolina
29171-0020
803/794-9160
Railway maintenance equipment

Virginia Wire & Fabric Division

615 Falmouth Street
Warrenton, Virginia 22186
703/347-2741
Nails

Wiremil Inc.

1 Wiremil Road
Sanderson, Florida 32087
904/781-9224
High carbon wire and
stranded products

Wrights Canadian Ropes Ltd.

2551 #6 Road
Richmond, British Columbia
V6V 1P3
604/273-4941
Wire ropes and cables



PLACE MERCANTILE, 770, RUE SHERBROOKE OUEST,
MONTRÉAL (QUÉBEC) CANADA H3A 1G1